

# Introduction





## FROM THE MAYOR



Welcome to Hutt City Council's Annual Plan 2008-2009. This document looks at the activities and services the Council undertakes on behalf of the city and our spending priorities for the next ten years.

My ambition is for Hutt City to be the best run city in New Zealand: a city that functions socially, environmentally and economically. I am confident this Annual Plan will enable the city to build on its success and become even stronger and more confident and for that ambition to be fulfilled.

The Council continues to keep rates under control, with the average increase being 2.6% for 2008/09. This figure assumes growth in the rating base of 1%. Many households, especially those on fixed incomes, are struggling to cope with rising living costs such as higher food and energy prices, so this is a good result under not easy economic conditions.

Sustainability continues to show up in consultation as a key issue for residents. Following strong feedback from residents, Council has voted for kerbside recycling collection to continue, despite the cost of recycling doubling. The cost of the service will be fully funded by an extra user charge, in the form of a targeted rate of \$36 per household that works out at 69 cents a week. I am grateful to residents for their strong show of support for recycling. In addition, Council has included a range of green initiatives to give the environment a helping hand, including: removing consent fees for installing domestic solar hot water heating; carrying out energy audits of Council facilities; subsidising insulation of pre-1978 housing; planting more trees for urban greening; and extra funding for cycle ways.

To assist with identification, protection, preservation and enhancement of the city's historic buildings and sites, Council is to invest \$150,000 per year for heritage incentives as well as \$80,000 in 2008/09 to complete the heritage inventory. In addition, \$1.25M is to go towards upgrading the Historic Places Trust-listed Korohiwa bus barns and landscaping the surrounding area.

Parks and playgrounds are essential for recreation and quality of life. To this end, the Hutt Recreation Ground's main field is to receive a major upgrade in 2009/10 which, once completed, will meet the standard required for a playing surface to be used as a Rugby World Cup training venue in 2011. A new playground will be developed in Taita, and Whiorau Reserve and Maungaraki Greenspace redevelopment also receive additional funding for improvements.

Other significant additions to the Annual Plan are:

- \$50,000 to the Hutt Public Art Trust
- \$294,000 for Wingate Development brought forward from 2010/11 to 2009/10
- Provision for strengthening the Administration Building increased by \$5M to \$20M in 2016/17
- \$180,000 for Market Grove Car Park Access.

The Annual Plan will record that Council remains committed to building up the city's infrastructural capacity, with \$360M to be invested on roads, water, waste, flood protection and other improvements over the next 10 years.



As well, Council continues to deliver high quality services and amenities that residents expect and deserve and helps make Hutt City a great place to live and work.

In conclusion, I want to thank everyone involved during the Annual Plan process: residents for their feedback, Council officers for their hard work and diligence, and not least, my Council colleagues for their wise deliberations.

This is an Annual Plan of which we can all be proud, and it gives me pleasure to commend it to your attention.



**David Ogden**  
Mayor  
Hutt City Council



## FROM THE CHIEF EXECUTIVE



With the Mayor, I am proud to present the Council's 2008-2009 Annual Plan.

Hutt City Council continues to pursue its goals of debt reduction and minimal rate increases, yet at the same time maintain and develop core infrastructure.

The rate increase for existing ratepayers in Hutt City will average 2.6 percent in the 2008/09 year. This figure assumes growth in the rating base of 1%. This is below the rate of inflation and will certainly be one of the lowest local body rate increases in New Zealand – if not the lowest. There will, however, be large variations between individual properties due to the recent property revaluations.

This low rate increase will be achieved by careful control of expenditure and the sale of a very small portion of the land the Council currently holds but is truly surplus to all of its requirements.

A major feature of the consultation with the community on the Draft Plan was the retention of kerbside recycling. Though costs for this service have doubled, the community feedback has been emphatic that people want to retain the service. It has been necessary for Council to set a special \$36 per year residential property charge.

The Council will continue to make the investments necessary in core activities of roads, water, wastewater and flood protection, while supplying, and where possible enhancing, other services to the city ranging from libraries to animal control.

The Community Digital Access programme will make more information available electronically via the City's libraries. Improvements are planned for the City's parks, especially Avalon Park and the Wainuiomata mountain bike facility. Planning will continue for a major extension to the Walter Nash Stadium that is scheduled in three years. More money is to be spent than originally presented in the Draft Plan for the City's cycle network, as well as funding for the Eastern Bays walkway and numerous other traffic safety projects. Upgrades to suburban shopping centres will continue under Council's rolling programme.

Council has a number of heritage projects underway, to protect buildings and features throughout the city that are under some degree of threat. As a Council, we cannot protect everything we, or the community, might wish. Protection often comes at a significant cost, and that sometimes cannot be overcome despite the best of intentions.

As well as preserving what is in danger of being lost, Hutt City Council has also taken on board the strong community wishes that new buildings and their surroundings be more attractive and user friendly. An Urban Designer was appointed during the past year, and we look forward to his input into future development in Hutt City.

A critical part of his work will be in the Vision for the CBD. The CBD remains, by definition and practice, the essential core of our city. Council has enhanced the Margaret Street area, and improvements in High Street are now underway.

We value the volume of responses to our surveys of opinion in the community, the tremendous work put in by our three Community Boards as well as the continual supply of feedback and suggestions from groups and individuals. The reconstitution of Community Committees in those areas where there is no Community Board is another means of getting community input on where our priorities should be.



Sustainability ranks very highly as a priority for people in our city. However, it is not necessarily easy to translate this into the activities of a local body that are both effective and cost efficient. Sustainability appears also to mean different things to different people, and we have to take this into account as we craft an Environmental Sustainability Strategy for Hutt City.

In conclusion, I would like to pay tribute to all the staff of Hutt City Council. Their service and dedication during the past year has been of the highest standard and I look forward to working with them throughout our next year as we implement this Annual Plan.



**Tony Stallinger**  
Chief Executive  
Hutt City Council



## VISION FOR HUTT CITY – A GREAT PLACE TO LIVE, WORK AND PLAY.

The Annual Plan 2008–2009 provides direction for Council’s plans, policies and strategies and gives a long term focus to all Council’s activities.

The Annual Plan has five key areas:

### PEOPLE

- Libraries
- Museums
- Aquatics and Recreation
- Parks and Reserves
- Community Support
- Property



### UTILITY SERVICES

- Roading and Traffic
- Water Supply
- Wastewater
- Stormwater
- Solid Waste



### ENVIRONMENT

- Environmental Management
- Emergency Management



### ECONOMY

- Local Urban Design
- Economic Development



### ORGANISATION

- Elected Members
- Advice and Support
- Managing Services



## WELCOME TO HUTT CITY COUNCIL'S ANNUAL PLAN 2008-2009

Most councils produce a Long Term Council Community Plan (LTCCP) every three years and an Annual Plan in the intervening years. This year Council has produced an Annual Plan. This covers the period 2008-2009 with additional information covering the period 2009-2017.

The document has been developed in consultation with the community and sets the strategic direction of the city over the next 10 years with a particular focus on the 2008/09 financial year.

### Changes from the Draft Annual Plan 2008-2009

Following on from the public consultation undertaken on the Draft Annual Plan, a number of additions have been made to the document. These primarily relate to capital and operating projects, and the updated project listings are included under the section entitled "What is Council Planning for Hutt City?"

From a financial perspective the most significant of the changes made since preparation of the Draft Annual Plan is the impact of the additional recycling costs, the proposed Korohiwa development and the anticipated timing of forecast asset sales.

### Recycling

Council has for many years provided a weekly recycling collection service fully funded from rates. When the contract was re-tendered in 2008 the new tender prices effectively doubled the costs.

Consultation on the community's recycling preferences was undertaken as part of the Draft Annual Plan process. The result of that consultation was that 89% of residents who made a submission, and 89% of residents consulted as part of a telephone survey on the issue, wished to continue with the current weekly collection service. The majority of respondents favoured the additional cost being funded by rates (74% of submitters and 70% of respondents to the telephone survey). (See page 10 for the results of the questionnaire on this topic.)

Council has approved the continuation of a weekly recycling collection contract and asked Council officers to work with the contractor and Upper Hutt City Council to minimise the cost of the collection. Hutt City's recycling service will be funded by the introduction of a new targeted rate.

### Korohiwa

In late 2007 Council requested a report from the Eastbourne Community Board on the future of the area south of Eastbourne known as Korohiwa. The report was considered in May 2008 and as a result Council officers were asked to prepare a comprehensive plan for Korohiwa. The plan is to include the bus barns building and the immediately surrounding area, land identified for housing purposes, the wastewater pumping station area and an area identified for recreation.

Council has approved a carryover of \$500,000 from 2007/08 to the 2008/09 financial year to fund the start of the refurbishment of the Korohiwa bus barns and the upstairs flats. A further provision of \$1.0million has been made in 2009/10 to complete the work on the bus barns and the flats. A provision of \$250,000 has been made in 2008/09 to prepare a landscape development plan and commence planting and development.





## Forecast Asset Sales

Council is undertaking a comprehensive review of all land managed as reserve that is not currently classified as reserve under the Reserves Act 1977. The development potential of each parcel is being assessed as part of this process. Land that is assessed as having a low reserve value may be considered for possible disposal. The project commenced in 2006 and is expected to be completed in the 2009/10 financial year. All land under review will continue to be held and required by Council for its current purpose until a formal decision of Council as to the land's future.

Given the public consultation and other processes involved (assuming any of these properties become available for disposal as an outcome of the review), it is considered unlikely that the forecast sale dates for any land under review could realistically be brought forward.

## Budget Options

In light of these budget changes, Council considered a range of options in relation to its overall financial profile including rejecting some or all of the proposed changes, increasing rates, introducing a targeted rate for recycling, changing the net debt and/or rates targets in the Financial Strategy, not meeting the Financial Strategy targets, deferring and/or cancelling existing projects, and reducing Council services.

As a result of these deliberations Council has agreed to set a targeted rate to recover the full cost of providing a recycling collection service to residential properties in the city. The targeted rate has been set as a uniform amount per separately used or inhabited part of each rating unit entitled to receive the service. In making this decision Council recognised that there is no specific mention of a targeted rate for the Solid Waste activity in the LTCCP but considers that its decision is consistent with the LTCCP. The reasons for this are that the targeted rate is considered to be effectively a user charge to those households entitled to receive the service, and the LTCCP states that this activity should be predominantly funded by user charges.

Council has approved an increase in overall rates revenue of \$300,000, which takes the increase in total rates revenue to 3.6%\* in 2008/09. The introduction of the targeted rate for recycling is in addition to the 3.6%\* increase. Council has also approved the deferral of its net debt target of \$60million from 30 June 2010 to 30 June 2011. The net debt target to 30 June 2015 remains unchanged at \$30 million which is consistent with Council's Financial Strategy. While deferring the net debt target of \$60million by one year is inconsistent with the Council's Financial Strategy targets, as it results in a net debt level that exceeds the target outlined in the Strategy, the Financial Strategy will be reviewed as part of the 2009-2019 LTCCP.

\* 2.6% plus 1% growth in the rating base.

In 2009 Council will produce an LTCCP covering the period 2009-2019. In the meantime the following sections of the 2006-2017 LTCCP have been omitted from this Annual Plan but are still current and may be accessed on Council's website: [www.huttcity.govt.nz/publications-forms/Long-Term-Community-Plan/2007](http://www.huttcity.govt.nz/publications-forms/Long-Term-Community-Plan/2007)

- Information about the Council's Long Term Council Community Plan
- Consultation Plus - Community Engagement Workshop 15 February 2007
- Planning for Our Community Together
- Community Outcomes for 2006-2017
- Hutt City's Community Charter – Building a Better Community
- Statement of Commitments
- Asset Management Planning
- Water and Sanitary Services Assessment and Summary of 2004 Waste Management Plan
- Significance Policy
- Policy on Partnerships with the Private Sector
- Liability Management Policy
- Investment Policy
- Policy for Remission and Postponement of Rates on Maori Freehold Land
- Rates Postponement Policy
- Rates Remission Policy
- Council-Controlled and Council-Controlled Trading Organisations



## Draft Annual Plan 2008-2009 Questionnaire Results

Specific consultation was carried out on the recycling collection service, environmental sustainability and housing affordability. The results of the questionnaire on these three topical issues are printed below for your information. The full results are available on the Council's website: [www.huttcity.govt.nz](http://www.huttcity.govt.nz) (Your Council/Meeting Calendar/Meetings can be viewed by Committee/Community Plan Committee Meetings/Community Plan Committee 17-18 Jun/Appendix 2-Consultation Results).

### Recycling

89% of the 1,136 residents who made a submission felt that Hutt City Council should continue to provide the current weekly kerbside recycling collection service.

73.8% of residents favoured the rates funded continued use of the current green plastic bins, at an additional cost of \$15 per property per year.

Second choice with 17.9% support was the rates funded use of wheelie bins for recycling, at an additional cost of \$42 per property per year.

### Environmental Sustainability

The questionnaire asked residents to rate nine environmental measures on a 5-point scale, according to the level of consideration they felt each should receive from Council, with regard to investment or subsidisation.

- Rating of 5: Council should give this option the utmost consideration
- Rating of 4: Council should give this option a high level of consideration
- Rating of 3: Council should give this option a moderate level of consideration
- Rating of 2: Council should give this option a low level of consideration
- Rating of 1: Council should not consider this option at all.

The overall rank order of priority is summarised as follows:

Environmental measures	Percentage of the 1,045 respondents rating it an area for:		Average (mean) rating given %
	Utmost consideration (i.e. '5') %	A high level of consideration (i.e. '4' or '5') %	
Removing consent fees for installing domestic solar hot water heating	53.9	73.5	3.97
Improving energy efficiency of Council buildings and facilities	26.9	52.6	3.48
Encouraging the use of grey water	25.5	50.1	3.29
Developing green corridors throughout the city	28.6	49.1	3.23
Subsidising the insulation of pre-1978 housing	28.8	47.9	3.15
Subsidising rainwater tanks	25.4	46.5	3.14
Providing household collection of green waste for composting	29.9	46.9	3.11
Allowing more infill housing to compact the city and reduce the need for transport	8.4	19.3	2.19
Installing water meters to reduce water consumption	9.9	18.0	2.11



Two proposed environmental measures received comparatively low levels of support. 37.3% felt that allowing more infill housing to compact the city and reduce the need for transport should not be considered at all. 44.2% stated that Council should not consider installing water meters.

Further consideration will be given to these results as work continues on the development of an Environmental Sustainability Strategy for the city. See page 12 for further information about the Strategy.

### Housing Affordability

Consideration levels varied substantially for the six possible interventions presented. The percentage of the 993 respondents that allocated each intervention a high level of consideration (i.e. '4' or '5' on the 5-point scale) was as follows:

Environmental measures	Respondents rating it an area for:		Average (mean) rating given %
	Utmost consideration (i.e. '5') %	A high level of consideration (i.e. '4' or '5') %	
Council to introduce building and resource consent application incentives for affordable housing, such as fast tracking or reduced fees.	34.0	63.6	3.59
Council to form strategic partnerships with major developers to ensure the city's housing needs are met.	19.4	42.3	2.98
Council to sell suitable Council-owned land for residential development.	17.8	33.8	2.75

Environmental measures	Respondents rating it an area for:		Average (mean) rating given %
	Utmost consideration (i.e. '5') %	A high level of consideration (i.e. '4' or '5') %	
Council to amend the District Plan to allow more infill and intensive housing around main roads and shopping centres.	13.3	27.1	2.43
Council to build dwellings for sale on suitable Council-owned land.	10.8	23.5	2.23
Council to take a leading role in building intensive housing for sale on Council-owned or other land.	9.4	19.4	2.07

Significant percentages of the survey participants felt that many of the housing interventions should not receive consideration.

Each of the interventions outlined above, with the exception of amending the District Plan, will be further researched and reported to the Strategy & Policy Committee of Council, along with the results of the consultation undertaken. The Committee will make a decision about whether or not to pursue these initiatives any further.

Amending the District Plan, with the possibility of allowing more infill and intensive housing around main roads and shopping centres, is a matter that will be addressed in the forthcoming review of the Residential provisions in the District Plan. This process will commence with pre-consultation, and the opportunity to have your input will be publicly notified from July until approximately mid August 2008. The formal consultation processes required by the Resource Management Act will follow.



## ENVIRONMENTAL SUSTAINABILITY

On 15 February 2007 Hutt City Council held a community engagement workshop with over 200 people to try to understand the priorities Lower Hutt residents had for Hutt City Council in the next 10 years. Environmental sustainability issues were rated the top priority, along with flood protection. Environmental sustainability was also the highest priority outcome in submissions on the Wellington Regional Strategy.

Council is currently developing an Environmental Sustainability Strategy which will provide an overall direction to the sustainability programmes and projects we are already undertaking and will include the following categories:

- Transport
- Energy
- Waste
- Water (including potable, waste and stormwater)
- Urban Development
- Biodiversity

Public consultation on the Draft strategy will be undertaken in August and September with a final strategy approved by Council in early November 2008.

Programmes and projects are already undertaken by Council in many of the areas outlined above and are planned to continue in the 2008/09 financial year as outlined below.

The first two sections below, Community and Council, outline the broad sustainability programmes and projects that Council is involved with. These cover many aspects of sustainability. Below that the more specialised programmes and projects are listed in their various categories.

### Community

#### Enviroschools

Currently 13 schools are actively participating in the Enviroschools programme. These are Dyer Street, Eastern Hutt, Hutt Intermediate, Hutt Valley High, Maranatha Christian School, Muritai, Naenae Intermediate, Naenae, Randwick, St Bernadette's, Wa Ora Montessori, Wainuiomata Intermediate and Wellesley College.

The Enviroschools programme is a whole school approach to environmental education and facilitates staff and students to create a sustainable school.

Six Council facilitated schools have achieved Silver Enviroschools awards: Muritai School, Naenae School, Randwick School, St Bernadette's School (Naenae), Wa Ora Montessori and Wainuiomata Intermediate. These schools will be working towards Green Gold over the next two years.

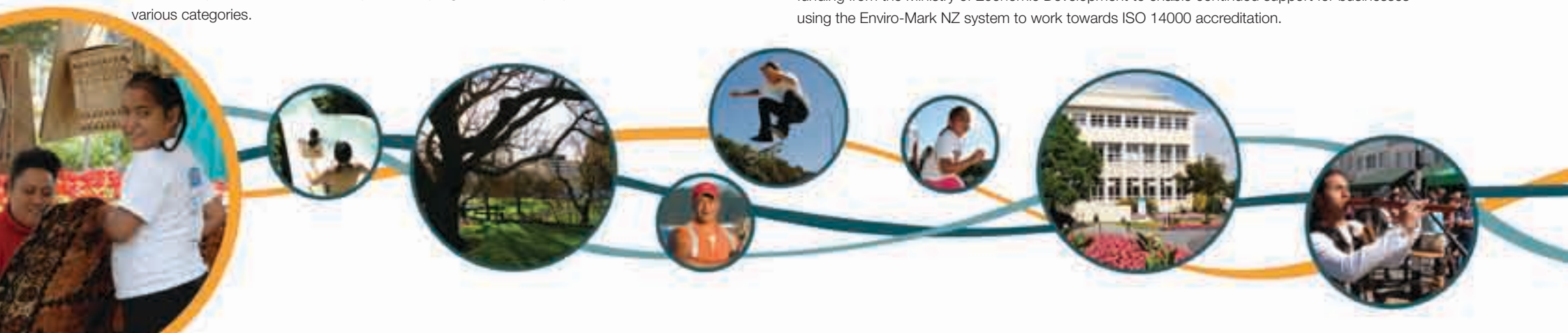
Dyer Street School, Eastern Hutt School, Hutt Intermediate and Hutt Valley High have achieved Bronze level and will be guided towards Silver.

The 2008 regional event will be held at Te Papa in August 2008 and will focus on a Native Plant Conservation Forum.

The Annual Awards ceremony is planned for December 2008.

#### Business Sustainability Programmes

Hutt City, Wellington City and Greater Wellington Regional Councils jointly obtained top up funding from the Ministry of Economic Development to enable continued support for businesses using the Enviro-Mark NZ system to work towards ISO 14000 accreditation.



Two businesses have achieved and six businesses are progressing towards Enviro-Mark Gold under the earlier EnviroSmart programme banner.

Five or more Hutt businesses are expected to participate in this year's new and improved programme. This new programme includes waste, energy and transport audits and plans.

We are working closely with Wellington Institute of Technology to develop programmes for small businesses and contractors.

### Get Sustainable Challenge

Council is also supporting the Get Sustainable Challenge programme run by the Sustainable Business Network. This programme encourages and acknowledges businesses that are progressing on their sustainability journeys. It is anticipated that seven Hutt City companies will be participating in the challenge. Last year, Dulux Paints won the Trailblazer award for large corporate and also took out the Sustainable Business of the Year Award for the Wellington region.

## Council

### Enviro-Mark®NZ

Enviro-Mark®NZ is an environmental management accreditation based on ISO 14001. It is a five stage process that Council is now in the process of completing within two years. The first audit occurred in February 2008. This is the first time that an entire council within New Zealand is seeking this type of accreditation.

### Environmental Management Plans

Over the past two years Council has trialled including environmental requirements in contract documents for works undertaken around Hutt City as well as internally within Council. Specifically contractors have been required to provide an Environmental Management Plan that identifies the activities of the contract that may result in adverse environmental effects and the mitigation measures that will be undertaken to avoid these.

Council is now working on incorporating these requirements into the Contracts Manual as a requirement within all Council Contracts.

## Community Transport

### Walking and Cycling

In 2006 Council adopted walking and cycling strategies for the city which outline Council's policy direction in relation to related projects. Consultants have been commissioned to prioritise infrastructural improvement projects for walking and cycling on the basis of need, cost, suitability and sustainability. Council has this year added \$150,000 towards cycleway network development.

Council is supporting a Short Trip Reduction community engagement programme in collaboration with Greater Wellington Regional Council. The programme was piloted in the Alicetown area and will be extended to other parts of the city in 2008.

### Walking School Buses

Currently we have five schools with one or more Walking School Buses (WSBs) up and running (or walking!) and several other looking to implement WSBs this year. These encourage primary aged children to walk to school under the supervision of a 'bus driver' who is usually a parent of one of the children. They engage children in their community, promote healthy lifestyles, and the presence of children tends to make motorists drive more cautiously. More children walking also means less traffic congestion around the school.



### School Travel Plans

We currently have one school which is engaged in a Pilot School Travel plan. This brings together the school community as well as enforcement and engineers to look at the travel modes of school children with the goal of promoting more sustainable travel options if possible (such as WSBs, car pooling and cycle trains).

### “Short Trip Reduction”

Council is currently working in collaboration with Greater Wellington Regional Council on a project to engage with Community Houses, Churches and Marae on reducing the number of short trips undertaken in a motorised vehicle. The project was piloted originally in Alicetown last year and the current project intends to increase the local knowledge of engagement processes and increase workforce capacity and capability.

### Council Transport Workplace Travel Plan

Council has agreed to do a workplace travel plan for staff in conjunction with Greater Wellington Regional Council. The focus of a travel plan is to reduce the number of single occupancy trips made by staff. Council is looking at a range of options to influence staff to take more sustainable forms of transport like walking, cycling, public transport and carpooling.

### Community Energy Efficiency Healthy Housing Project

Council provided \$20,000 towards the Healthy Housing Project run by EnergySmart in the 2007/08 financial year.

Between 1 July 2007 and 12 February 2008 EnergySmart has installed insulation into 154 existing houses. These included 126 low income houses and seven rented properties. A further 100+ houses were to be insulated before the end of June 2008.

In addition to simply retrofitting insulation into the ceiling and underfloor, the majority of these houses also receive (where feasible to fit) a hot water cylinder wrap with pipe lagging, draft excluders on both the front and back door, and four energy efficient light bulbs. Hot water temperatures and volumes of shower water used are measured and homeowners are advised of simple measures they can implement to reduce hot water usage.

Occupants are also educated about running their house in an energy efficient way which improves their health by lowering the humidity and raising the temperature of their living rooms and bedrooms. The total value of the above measures in these private houses is in excess of \$500,000 per annum.

### Consent Fee Waiver

Building consent fees have been waived for the installation of domestic solar hot water heating panels. There will be a subsidy offered for insulating pre-1978 homes.

### Hutt Valley Healthy Homes Healthy People Programme

The Hutt Housing Steering Group has designed a programme that aims to address two key issues – retrofitting homes and linking health and social services to low-income retrofitted home dwellers in the Hutt Valley. The Council has agreed to part fund the Co-ordinator’s position by \$12,000pa for a three year period. The total cost of this initiative is estimated to be about \$2M and involves a broad range of agencies.

### Council Energy Efficiency

For the last two years Council has been using the E-bench energy management computer system to track energy use and identify opportunities for energy savings. Energy audits recently carried out identified several opportunities for saving which will be undertaken in the next financial year. These include projects to reduce the amount of energy used at Huia, Wainuiomata and Stokes Valley pools, as well as the War Memorial Library. These projects have the potential to significantly reduce the Council energy bill.

Council intends to continue monitoring energy use and working towards becoming more energy efficient.



## Community Waste Minimisation

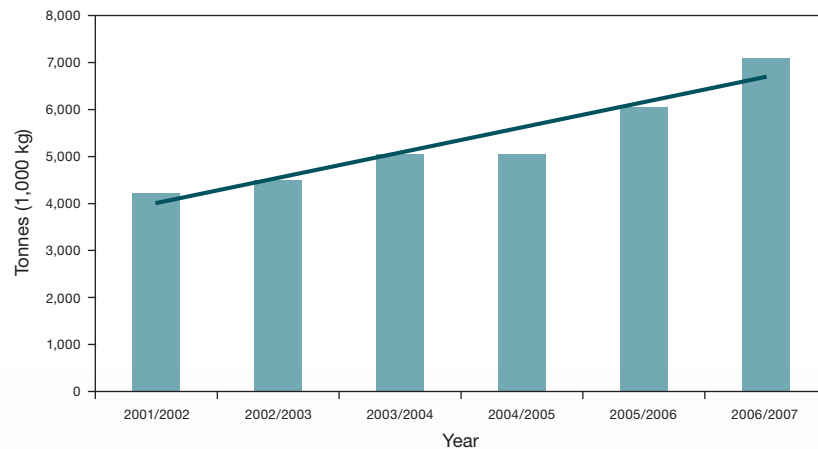
### Recycling

All Hutt City residents have access to recycling services, through both the residential kerbside collection and/or the community recycling stations located throughout the City. In the 2007 calendar year a record 7,300 tonnes of recycling was collected, approximately 12% more than the previous year.

Our annual recycling survey also showed an increase in the number of households using the kerbside recycling service with 75% of households recycling at the kerbside and 51% of households putting their recycling out for collection in any particular week.

Recycling helps reduce the demand for new materials and diverts materials from being deposited in a landfill.

**Annual Collection of Recycling from Kerbside and Recycling Stations**



## Household Hazardous Waste Collection

Last year's annual Household Hazardous Waste collection was held on 19 August 2007. In addition to the regular collection, for the first time households were able to bring electronic waste (E-waste) to the collection. As far as we are aware, we are the first council in New Zealand to add E-waste into this type of collection. The collection of E-waste was carried out by Earthlink Ltd, the not for profit community group that also currently collects items from the Silverstream Landfill for repair and resale.

The Hutt City collection saw an increase of 64% in the number of households attending the collection, a total of 679 households. Excluding E-waste there was an 82% increase in weight of hazardous waste collected, a total of 11 tonnes. Approximately 20 tonnes of E-waste was collected.

The next Household Hazardous Waste collection is planned for August 2008 and E-waste will again be collected.

## S.A.M.'s Word on Waste School Tours

Over the last year and a half Council has provided school tours of the AllBrite recycling facility, Silverstream Landfill and WasteSmart, the Earthlink Inc recycling and resale facility. Over the 2007 calendar year 24 school classes attended this full day fieldtrip as part of their environmental education programmes. These tours are continuing in 2008.



### Earthlink Inc – WasteSmart

Earthlink Inc has an agreement with Council to retrieve reusable and repairable items from the Silverstream Landfill for resale through their WasteSmart recycling store. Earthlink Inc is a charity organisation that offers education, training and employment for people with disabilities.

Over the 2007 calendar year Earthlink recycled 215 tonnes of materials from the Silverstream Landfill. They also processed, repaired and recycled the electronic waste that was collected at the Household Hazardous Waste Collection.

Earthlink is planning to continue their recycling activities into the new financial year.

### Keep Hutt City Beautiful Clean Up Week 2008

This year's clean up will take place from 5 to 12 September. This year there have been more groups participating in clean-ups outside of this week.

The number of participants last year was estimated to be 5,550. Twenty-four schools and 19 groups and businesses joined in with 1,600 refuse bags distributed.

### Council Waste Minimisation Recycling

Council has a comprehensive internal recycling system. Staff are provided with desktop paper recycling bins which are emptied into centralised collection bins, and glass, plastics and cans are collected at centralised points. There is also a collection area for large cardboard boxes and toner cartridges.

### Computer Recycling

Any obsolete computers from Council are distributed for use by not for profit groups including schools. In the 2007 calendar year 24 computers were given a second life with new organisations and this service has continued into the new financial year.

### Garden Waste

Garden waste from pruning etc on Council sites is mulched and put back onto the gardens.

### Community Water Trade Waste

Council's Trade Wastes Officers annually consent and regularly inspect and monitor around 600 Hutt Valley businesses which discharge trade wastes (wastewater other than domestic in nature) to our sewer system. The intent is to ensure that dischargers meet their discharge quality conditions and to improve the quality of their discharges through encouraging better practices and efficiency. This assists the Waste Water Treatment Plant to treat the received waste water effectively and efficiently which ensures that the Plant's discharge into the sea contains minimal contaminants. It also improves the quality of the solid waste biosolid created by the Plant, increasing the range of disposal options for that material in the hope that long term it will enable beneficial reuse of the material.

Whilst on site officers also inspect the site for potential stormwater contamination issues and offer advice to businesses on reducing the risk of stormwater contamination.

### Stormwater

Capacity (Hutt City Council Business Unit) is developing a Stormwater Strategy that will consider the expectations of the community and assess the impacts on future building developments and requirements.





This strategy will address issues such as overloading of the stormwater system, the effects of climate change and degradation of the watercourses. The strategy will enable decisions to be made based on sound information and planning, using details collected from previous projects and the expectations of the community and local industry.

Existing flood mitigation work being undertaken in the region includes:

- Gracefield Stormwater Pumping Station construction project. This will reduce the chance of flooding that has affected local industry in the past and also lessen the chance of damage to the environment from flood waters.
- The Black Creek project in Wainuiomata which has now entered its second phase. Following widening of the stream channel and the replacement of culverts and bridges this project will see a replacement pedestrian bridge being built for Best Street during 2008.

## Wastewater

Wastewater project work leads to a more energy efficient treatment of water at the sewage treatment plant before it enters the harbour waters as well as offering cost and time efficient maintenance solutions to affected users.

Capacity is currently implementing the private drain policy in the Waiwhetu area in order to minimise water infiltrating the wastewater network which will reduce the load on the Seaview Wastewater Treatment Plant. This is due to be completed over three years in three stages, and is nearing the end of stage two.

## Water Supply

The development of a Public Health Risk Management Plan (PHRMP) will enable the adoption of proposed legislation changes to the Health Act 1956 in regard to the delivery of high quality water. This reflects the Council's objectives of providing a sustainable, healthy environment.

A review of the energy requirements of the entire water infrastructure during 2008 will ensure that service delivery to industrial and residential users is at its most cost effective level while meeting everybody's needs.

## Waiwhetu Stream

A trial clean up process for the Waiwhetu Stream has been conducted between Hutt City Council, Greater Wellington Regional Council and the Ministry for the Environment. The trial aimed to test the effectiveness of the removal of contaminated sediments from an 80 metre stretch of the Waiwhetu Stream below the Bell Road Bridge in Gracefield, and proved very successful.

The trial removal of contaminated sediments and disposal processes has been formally evaluated and the main clean up operation will commence during the summer of 2008/09, subject to the granting of resource consent. MfE funding has been approved for 50% of the cost of the clean up to a maximum of \$2.9 million.

## Drains to Streams/Drains to Sea

The Drains to Streams and Drains to Sea programme has been running since 1996 and heightens awareness that stormwater drains lead directly to watercourses without filtration and/or treatment. This year, the programme will initially focus on the Waiwhetu Stream where it runs through the Gracefield industrial area. Council's youth workers and their youth leaders will be fixing plaques adjacent to stormwater drains.

Council continues to provide a short movie in DVD format "Dead Fish Don't Lie" that draws attention to the differences between stormwater and wastewater.



## Council Water

### Water Conservation

As the Council building is upgraded, new cisterns installed are dual-flush. Dripping taps and other plumbing related problems are reported through the Confirm system.

One of Council's main contractors is currently undertaking a stepped programme towards ISO 14000 and this should in the longer term improve water use reduction.

Council is following a process to have its contractors write their own Environmental Management Plans in order to mitigate any risks of pollution.

## Urban Development Strategy

The growth and development of the city will have environmental impacts. Council is currently developing an urban development strategy. This strategy will have a focus on the environmental impacts and look at ways in which these impacts can be reduced or mitigated. Impacts associated with poor urban development are:

- loss of biodiversity
- pollution
- loss of resources
- increased transport infrastructure
- increased need for energy and water infrastructure

## Community Biodiversity

Council provides several methods for individuals and community groups to enhance biodiversity in the Hutt, including:

- Loaning equipment to residents or community groups to control possums on private or reserve land
- Paying specialised contractors to destroy selected pest plants on private and reserve land to stop their spread and allow native ecosystems to flourish
- Gifting a native plant to each new citizen to plant at their home
- Providing free native tree species for street berms on request from the adjacent home owner
- Providing native re-vegetation species to property owners who are willing to plant them into neighbouring reserve edges
- Checking subdivision applications to identify valuable vegetation types
- Supporting coastal, riparian, lowland coastal forest and wetland conservation volunteering projects on public land with guidance and materials.



## Council Biodiversity

### Reserves

There are over 20,000 ha of land managed as reserve within Hutt City's territory. This makes a major contribution to biodiversity and sustainability regionally as well as locally. Hutt City Council manages a reserve network of over 5,000 ha, with the majority being conservation land under established or regenerating native forest and scrub.

### Pest Control

Systematic possum and rodent control carried out by contractors now covers most of the western and eastern hill reserves. This is the single most important action available to enhance and protect biodiversity. Birds such as tomtit, bellbird, kaka and NZ falcon are spreading from the four local "mainland island" projects into Council's reserves. Breeding populations of kereru and tui are well-established. Council intends to commence formal bird monitoring as soon as sufficient expertise is available.

Introduced wasp nests are destroyed free of charge.

### Pest Plant Control

A regionally admired pest plant control programme is funded by ratepayers. Species such as Old Mans Beard, Cathedral Bells, Banana Passionfruit, Climbing Alstromeria, Mile-a-minute, and Darwins Barberry are controlled annually on reserve and private land at no cost to the landowner.

The pest plant programme includes collaborating on educational material such as the *Don't Dump* and *Bad Berries* pamphlets, plus the *Plant me instead* booklet, and Weedbuster publicity events run in collaboration with Greater Wellington Regional Council and Department of Conservation. Regular beach weed control prevents gorse and boneseed from turning sandy beaches to scrub. Special reserves such as Hayward Scenic Reserve at Waiwhetu with its highly diverse native land snail populations, or Galbraiths Gully, also receive extra weed control.

### Street Planting

The city's numerous street trees and other plantings contribute to green corridors linking native bush areas and contribute to a more sustainable urban environment. Council pursues an eco-sourcing policy in general re-vegetation situations and uses natives extensively in landscape plantings.

This city has an important role in conserving nationally threatened native species through the Percy Scenic Reserve plant collections and propagation facility. Refuge populations of threatened species feature in many roadside gardens.

Council contributes to the Kiwi recovery programme at Rimutaka Forest Park.

## Eastbourne – Petone Community Coast Care

The Eastbourne – Petone Community Coast Care project is a community initiative supported by Council and the Ministry for the Environment through its Sustainable Management Fund. Hundreds of hours of volunteer time are being invested in coastal dune planting and care. Rare native plants such as pingao and spinifex are being used to create coastal protection from potential sea level rise. Beach care principles are being discussed and promoted within the two communities of Eastbourne and Petone.



## COUNCIL PROJECTS

Details of what Council is planning in Hutt City for each of the significant activities carried out is included from page 43. This includes the contribution each activity makes to the community outcomes and strategic goals, performance measures for each activity, and financial information.

In addition to the capital and operating projects identified, Council is involved in many other activities and initiatives. Below are some of the activities that will be progressed in the 2008/09 financial year:

### Urban Design and District Plan Matters

- Urban design Strategy and Guidelines
- Naenae Community Development Plan (incorporating Suburban Shopping Centre fund and Walter Mildenhall Park upgrade)
- District Plan Reviews: CBD, Petone, Residential Provisions, Subdivision Chapter and Significant Natural Resources Provisions
- Strategic Review including impact on District Plan
- District Plan Monitoring
- Heritage Inventory

### Policies and Strategies

- Environmental Sustainability Strategy
- Older Persons' Strategy
- Safer City Strategy
- 5 Year Programme and Revenue Strategies for TheNewDowse and Petone Settlers Museum
- Joint Petone Settlers Museum and Petone Library Redevelopment Strategy
- 5 Year National Profile Strategy for TheNewDowse

### Implementation of Approved Programmes/Strategies

- Safe Public Places Action Plan
- Settlement Support Strategy, Plan, projects and initiatives
- Actions from the Active Recreation and Sport Strategy
- Walking and Cycling Strategies
- Continuation of the anti-graffiti rapid response

### Scheduled Reviews

- Community Halls
- Affordable Housing
- Street Trees
- Reserve Management Plans
- Walking Tracks
- Cemetery
- City Events Strategy

### Regional Transport Issues

- Grenada to Gracefield Strategic Study (Triangle Study) including Grenada to Petone, Petone to Ngauranga and Petone to Gracefield
- Transmission Gully Technical Working Group
- State Highway 58 and State Highway 2 Dowse to Petone

### Land Review Project

Council is undertaking a comprehensive review of all land managed as reserve that is not currently classified. The purpose of the review is to assess all such land to ensure it makes an appropriate contribution to the reserves network and if so, is appropriately classified according to its purpose. The development potential of each parcel is also being assessed as part of this process. Land that has a low reserve value will be considered for possible sale. The project commenced in 2006 and is expected to be completed in the 2009/10 financial year.



## STATEMENT OF CO-OPERATION

Council is committed to working with other local authorities and Central Government where there are benefits to the City in Council doing so. In performing its role, a local authority must act in accordance with a number of principles set out in the Local Government Act 2002, including that a local authority should collaborate and co-operate with other local authorities and bodies as it considers appropriate, to promote or achieve its priorities and desired outcomes, and make efficient use of its resources.

Council is one of the signatories to the Wellington Regional Triennial Agreement, which is being finalised for the 2007-2010 triennium. The parties to the agreement will commit to working for the good governance of their city, district or region by acting co-operatively and collaboratively. It is intended that this agreement will ensure that appropriate levels of consultation and co-ordination are maintained between the councils of the Wellington Region. It is intended that the process of arriving at this agreement, and its ongoing operation, should contribute to the strengthening of the regional relationships.

Examples of Council working with other local authorities include:

Regional Initiatives:

- Working to build an internationally competitive Wellington Region under the auspices of the Wellington Regional Strategy. The Wellington Regional Strategy is managed by a subcommittee of Greater Wellington Regional Council which includes local government and private sector participants. Hutt City Council participates on this committee. It is anticipated that through this initiative regional cooperation will continue to grow in the future. For more information refer to the next page.

- Jointly funding Grow Wellington, the Regional Economic Development Agency, through Greater Wellington. This facilitates, promotes and fosters development of a dynamic economy in the Wellington Region.
- Making regional archives available in uniform format at one address online, through the Virtual Regional Archives Project. This enables greater public access and complies with the Public Records Bill and the Government Digital Strategy.

With Wellington City Council:

- Operating the shared Water Management Unit, Capacity.
- Investigating options for shared library services.
- Providing an after hours emergency service.

With Upper Hutt City Council:

- Combining "Whole of valley" shared wastewater treatment and disposal.
- Combining "Whole of valley" access to the Silverstream Landfill, operated by Hutt City Council.
- Combined cemetery service for the Hutt Valley at Akatarawa.
- Combined emergency management services for the Hutt Valley at Lower Hutt.
- Working together on environmental health, liquor licensing and public safety issues.



## Wellington Regional Strategy

The Wellington Regional Strategy has been developed by the nine local authorities that make up the Wellington region.

The nine local authorities are:

- Kapiti Coast District Council
- Porirua City Council
- Upper Hutt City Council
- Hutt City Council
- Masterton District Council
- Carterton District Council
- South Wairarapa District Council
- Wellington City Council
- Greater Wellington Regional Council

The purpose of the Strategy is to build an internationally competitive region, at the same time as enhancing our quality of life.

The Wellington Regional Strategy Committee's task is to develop a strategy for ensuring the region's long term prosperity. In August 2005 the Growth Framework was launched. This was the first step representing the collective thinking of the group at that time. It set a broad direction for sustainable economic growth. In mid 2006 the Wellington Regional Strategy was completed and made available for consultation. In February 2007 the WRS Committee agreed the content of the WRS, and the funding and governance arrangements.



## COMMITMENT TO THE TREATY OF WAITANGI – TE TIRITI O WAITANGI

Council is committed to the principles of the Treaty of Waitangi – Te Tiriti O Waitangi – and to maintain and improve opportunities for Māori to contribute to local government decision-making processes. Council also recognises and provides for the special relationship that Māori have with their culture, traditions, land and taonga.

The obligation to consult with Māori includes recognising those who have mana whenua, or inherited rights of land ownership. Within Hutt City these are represented by Ngā Tekau o Pōneke – the Wellington Tenth Trust. Council also recognises Te Rānanganui o Taranaki Whānui ki te Upoko o te Ika a Maui as mana whenua. Both these groups represent Te Atiawa and the Taranaki tribes within the Wellington region.

This obligation also extends to urban Māori now resident in Hutt City, including (but not limited to) Te Taurahere o Te Awakairangi and the seven Marae within Hutt City.

### Key Principles

- Take into account the principles of the Treaty of Waitangi – Te Tiriti O Waitangi.
- Continue with the established contractual agreements with Te Atiawa.
- Continue to work alongside established and develop relationships with other Māori organisations and the following Marae within Hutt City:
  - Koraunui Marae
  - Te Mangungu Marae
  - Wainuiomata Marae
  - Te Kakano o te Aroha Marae
  - Waiwhetu Marae
  - Kokiri Seaview Marae
  - Te Tatau o te Pō Marae
- Pursue Council's statutory obligations under Part II of the Resource Management Act 1991 and Section 4 of the Local Government Act 2002.

### Goals

- Provide opportunities for Māori to contribute to Council decision-making processes.
- Enable greater information flows on activities of mutual interest to both Māori and Council.
- Foster the cultural life of the city in which Council and Māori will each play their part in a bi-cultural partnership.
- Maintain consultation and involvement with Te Atiawa.
- Consult with Te Taurahere o Te Awakairangi.
- Consult with the seven Marae within Hutt City.

### Programme

- Ongoing promotion of Memoranda of Agreements between Council and key Māori stakeholders.
- Work to maintain long-standing relationships with Te Rānanganui o Taranaki Whānui ki te Upoko o te Ika a Maui, Ngā Tekau o Pōneke – the Wellington Tenth Trust, Te Taurahere o Te Awakairangi and the seven Marae within Hutt City.
- Work to maintain existing and developing relationships with other Māori community organisations.
- Ensure that all parties are kept informed of Council's developments and are given the opportunity to take part in Council's affairs.
- Provide quality advice and support for capacity and capability strengthening.







## HUTT CITY COUNCIL'S FINANCIAL STRATEGY

Council has adopted a Financial Strategy to clearly summarise its financial objectives. Council uses the Financial Strategy as a framework for budget management during Annual Plan deliberations.

STRATEGY	OBJECTIVES	MEASURES	TARGETS
Rate charges	Council rate charges are controlled prudently and are competitive when compared to peer local authorities	Rates per capita (refer to graph on next page)	Annual increase below inflation + 0.5% Below peer average by 2010
Cost to deliver services	Council delivers services at a cost below the average of peer councils  Council's service costs are equitably allocated (within the limits of available charging mechanisms)	Total service cost per capita Support costs per capita  Actual revenue vs indicative cost allocations in the Revenue & Financing Policy: <ul style="list-style-type: none"> <li>• Private vs public funding (user charges vs rates)</li> <li>• Public funding by sector</li> </ul>	Below peer average Below peer average  Individual activities generally within 5% of Policy Within 1% of Policy by 2010
Financial position	Council's financial position is better than peer average	Net debt level (refer to graph on next page)  Net debt per capita Net debt/equity ratio Operating result	Below annual target Below \$60m by 2011 (previously 2010) Below \$30m by 2015 Within Treasury Policy limits at all times  Below peer average Below peer average Produce a surplus each year
Funding supply	Council has secure and cost-effective funding sources available to meet its financial needs	Liquidity requirements of the Liability Management Policy Overall cost of funds	100% compliance with Policy requirements Below independent benchmark
Financial risk	The risk of Council incurring a material financial loss is very low	Uninsured risks in relation to the Risk Management Policy  Investment and Liability Management Policy limits	All identified, considered and approved by the Executive Management Team (EMT)  100% compliance with Policy requirements

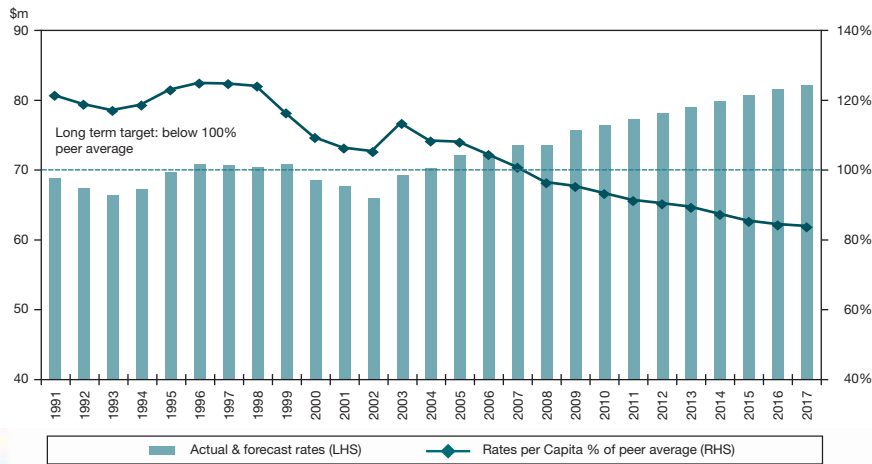


### Rates Income (inflation adjusted)

The level of rates is a key focus of Council's Financial Strategy.

This graph shows historical and forecast rate levels. It highlights the reductions achieved from 1999 onwards, offset by modest increases in recent years to cover the cost of wastewater treatment facilities.

The graph also measures rates per capita in comparison with our peers (other similar local authorities). Historically Hutt City rates per capita have been well above peer average. This is partially owing to many peer authorities owning major profitable businesses such as ports, airports, forestry and electricity companies, that help to keep rates down. Council's target is to deliver rate levels less than the peer average per capita.

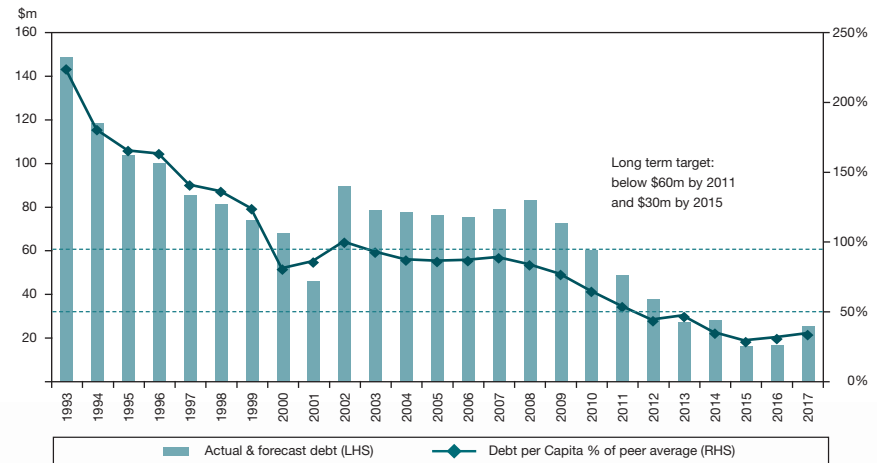


### Net Debt (inflation adjusted)

Council's Financial Strategy has a target of reducing debt below \$30 million by 2015. This target has been adopted so that Council can further strengthen its financial position and be well placed for the anticipated increase in capital replacement expenditure anticipated over the next 20–30 years.

This graph shows historical and forecast net debt levels. It highlights the considerable success Council has had in reducing debt levels since 1993. At the time debt levels in Hutt City were more than twice the average for similar local authorities.

The increase in debt in 2002 was owing to the unavoidable requirement to fund the construction of the wastewater treatment facilities at Seaview. However, debt levels are now below the average of peer local authorities and forecast to fall further.



# Rates





## FUNDING LOCAL GOVERNMENT\*

Parliament has limited the ways Council can raise revenue to types of property-related taxes and charges, fees and user charges and development levies. Rates are set every year to reflect the estimated financial costs for a council in the next twelve months. Councils are required to balance their budgets, unless it is financially prudent not to do so. Councils must consult with communities before setting their rates and, as a result of this, agree on the quantity and quality of services to be provided and maintained. If the cost is too high, a council may reduce the level of service or delay starting new projects.

A number of factors may result in councils needing to increase revenue:

- The community has asked the council to develop a new service, such as a major recreational facility.
- Construction-related costs have increased, eg. road sealing, maintenance, construction. These cost increases have a greater effect than the consumer price index. Even if councils decide not to start any new services, they still have to pay for the increases in maintenance and renewal costs, unless they find some efficiencies or reduce their services.

New Zealand's local government revenue system is unique for the degree of funding that councils raise themselves. Generally speaking rates are a tax on the value of property. Councils can set general rates and targeted rates.

Councils can set two types of general rates: general rates and uniform general charges. General rates are a charge per dollar of property value (usually a fraction of a cent per dollar). These charges are based on the value of: the land, improvements to the land (the capital value) and renting the property (the annual value). Uniform annual general charges are a fixed charge per rating unit or part of a rating unit.

Councils can set targeted rates for a service or services within a specific land area or on particular categories of rating units. For example, a council might set a targeted rate on properties within a city's business district to cover the extra cost of security, street cleaning or tourism promotion, or on coastal properties to pay for programmes to prevent the shoreline eroding.

All ratepayers do not have the same access to council services. Councils consider this when setting charges, so a rural property further away from council services may pay less to reflect the travel cost if they want to use council services and that they may use these services less.

This ability to set the general rate at different rates in the dollar for different categories of rating units is known as differential charging. Councils who choose this option, as opposed to setting a flat fee general rate for all, must differentiate by specific factors detailed in legislation which can include property value, location, land area, use (residential, commercial, farming etc) and services provided by, or on behalf of, a council.

People who can't afford to pay their rates have a number of options available, including the rates rebate scheme, rates postponement schemes and other similar policies.

There are some specific categories of land which councils cannot receive rates from. In these cases, councils can set targeted rates for the cost of sewage disposal, water supply and waste management.

\* Information extracted from the Local Government New Zealand publication 'Funding Local Government', October 2007.





### 3. Schedule of Rates for 2008/09

#### A) Water Supply Rate

**Type:** Targeted Rate

**Rating Factor:** Separately used or inhabited part of a rating unit

The charges for the 2008/09 rating year are as follows:

**Category**

Connected

Serviceable but not Connected

**Charge**

\$294 per part

\$147 per part

#### B) Wastewater Rate

**Type:** Targeted Rate

**Rating Factor:** Number of Water Closets or urinals

The charges for the 2008/09 rating year are as follows:

**Category**

First WC or urinal per Rating Unit

Second and each subsequent WC or urinal per rating unit

**Charge**

\$386

\$193 each

#### C) Recycling Charge

**Type:** Targeted Rate

**Rating Factor:** Number of separately used or inhabited parts (SUIP) of the rating unit

The charge for the 2008/09 rating year is as follows:

**Category**

Rating units in the Residential category receiving or able to use the recycling collection service.

**Charge**

\$36 per part

#### D) Jackson Street Programme Rate

**Type:** Targeted Rate

**Rating Factor:** Capital Value

The charge for the 2008/09 rating year is as follows:

**Category**

Rating units in any business category having frontage to Jackson Street, Petone, between Hutt Road and Cuba Street.

**Charge**

0.05080 cents per \$ of Capital Value

#### E) Private Drains Rate

**Type:** Targeted Rate

**Rating Factor:** Cost of work to upgrade private drain

The charges for the 2008/09 rating year are as follows:

**Category**

Per dollar of the cost of the work to upgrade private drain

**Charge**

24.30 cents per year for five years

#### F) General Rate

**Type:** General Rate

**Rating Factor:** Capital Value

The differential categories and charges for the 2008/09 rating year are as follows:

Category	Ratio	Charge per \$ of Capital Value
Residential (RE)	1.00	0.22790 cents
Rural (RU)	0.65	0.14810 cents
Business Accommodation (BA)	3.00	0.68380 cents
Business Central (BC)	3.70	0.84330 cents
Business Suburban (BS)	3.40	0.77490 cents
Utility Networks (UN)	2.50	0.56980 cents
Community Facilities 1 (CF1)	1.00	0.22790 cents
Community Facilities 2 (CF2)	0.50	0.11395 cents
Community Facilities 3 (CF3)	2.50	0.56980 cents



#### 4. Summary of Revenue Required from Rates

Rate	Amount (Inclusive of GST) \$000s	Amount (Exclusive of GST) \$000s
General Rate	60,738	53,989
<b>Targeted Rates:</b>		
Water Supply	11,609	10,319
Wastewater	16,259	14,452
Jackson St	90	80
Recycling	1,350	1,200
Private Drains	34	30
<b>Total Rate Revenue</b>	<b>\$90,080</b>	<b>\$80,070</b>

Note: Total rate revenue includes rates charged on Council-owned properties.

#### 5. Summary of Revenue Required by Differential Group

Differential Group	Rates 2008/09 \$000s	Total Rates by Category \$000s	Proportion Of Total Rates
Residential		56,761	63.0%
Rural		442	0.5%
Utility Networks		2,712	3.0%
<b>Business:</b>			
Accommodation	517		
Central	8,852		
Suburban	19,814	29,183	32.4%
<b>Community Facilities:</b>			
1	735		
2	129		
3	118	982	1.1%
<b>Total Rates Levied</b>		<b>\$90,080</b>	<b>100.00%</b>





## 6. Examples of Rates on a range of typical Properties

The examples below show how a range of properties are affected by these rates for the new year.

Property Category	CV (Rateable Value)		Value Change	2007/2008	2008/2009	Rate Change	
	2004	2007		Rates	NEW Rates	Amount	%age
<b>Annual Plan Examples</b>							
Average Residential	251,000	386,000	54%	1,519	1,596	77	5%
Average Bus. Central	873,230	1,835,425	110%	14,164	16,351	2,187	15%
Average Bus. Suburban	656,539	1,236,389	88%	9,528	10,454	926	10%
Average Bus. Accomm.	1,780,833	2,505,652	41%	21,033	20,130	(903)	(4%)
Average Rural (No Services)	386,362	571,153	48%	850	846	(4)	(0%)
Residential	280,000	400,000	43%	1,617	1,628	11	1%
Residential	538,000	800,000	49%	2,491	2,539	48	2%
Residential (22 Flats)	1,825,000	2,850,000	56%	16,918	18,194	1,276	8%
Residential	150,000	260,000	73%	1,177	1,309	132	11%
Residential	240,000	480,000	100%	1,482	1,810	328	22%
Residential	112,000	240,000	114%	1,048	1,263	215	21%
Rural (No Services)	325,000	455,000	40%	715	674	(41)	(6%)
Rural (Full Services)	700,000	980,000	40%	2,210	2,131	(79)	(4%)
Rural (Full Services)	380,000	540,000	42%	1,505	1,480	(25)	(2%)
Rural (No Services)	150,000	230,000	53%	330	341	11	3%
Business Accommodation	910,000	1,350,000	48%	13,324	13,385	61	0%
Business Central	5,900,000	9,800,000	66%	91,515	84,288	(7,227)	(8%)
Business Central	132,000	325,000	146%	2,680	3,421	741	28%
Business Suburban	580,000	720,000	24%	8,328	6,259	(2,069)	(25%)
Business Suburban	730,000	960,000	32%	11,067	8,891	(2,176)	(20%)
Business Suburban (JSP)	520,000	810,000	56%	8,077	7,368	(709)	(9%)
Business Suburban (JSP)	6,000,000	12,600,000	110%	91,836	110,508	18,672	20%
Business Suburban	800,000	1,700,000	113%	19,761	22,538	2,777	14%
Business Suburban	144,000	350,000	143%	2,571	3,392	821	32%



## 7. Rates Instalment Details

The amount of the annual rates payable on each rating unit is payable by six equal instalments by the following dates:

Instalment No.	Due Date
One	20 August
Two	20 October
Three	20 December
Four	20 February
Five	20 April
Six	20 June

Where the annual rates are not able to be set in time for the first instalment, the first instalment will be calculated and charged as one sixth of the previous year's rates.

The remaining five instalments will then be calculated as each being one fifth of the amount of the annual rates, after deducting the amount of instalment one.

## 8. Penalties on unpaid Rates

If the rates instalment amount is not paid by the due date then the following penalty charges will be incurred:

- After the due date shown for each instalment, a penalty charge of 10% of the amount remaining unpaid for that instalment will be added to the rate account.
- All rates levied in any previous financial year (including any penalty amounts already added for late payment) which remain unpaid after the due date for payment of the second instalment in the current year (20 October), will incur a further penalty charge of 10%.
- All rates levied in any previous financial year (including any penalty amounts already added for late payment) which remain unpaid after the due date for payment of the fifth instalment in the current year (20 April), will incur a further penalty charge of 10%.

Provided that no penalty shall be added to any rate account:

- Where a direct debit authority is in place for payment of the rates by regular weekly, fortnightly or monthly instalments, and payment in full is made by the end of the rating year; or
- Where any other satisfactory arrangement has been reached for payment of the current rates by regular instalments by the end of the rating year.



# Summary of Council's Key Performance Indicators





## SUMMARY OF COUNCIL'S KEY PERFORMANCE INDICATORS

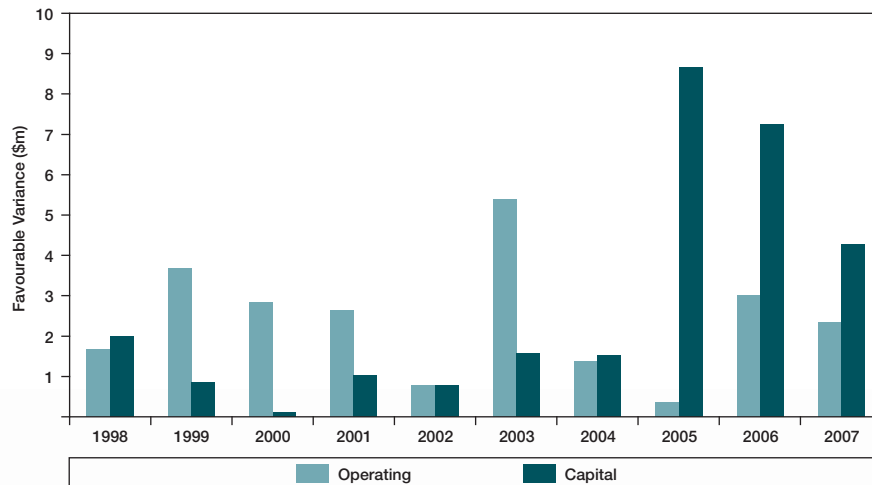
### Key Performance Indicators

Council monitors six key performance indicators to ensure the organisation is being managed effectively. This section of the Annual Plan provides historical and forecast information, targets and benchmarks in relation to those performance indicators.

### Budget Management

Council has several strategic financial measures (refer Financial Strategy page 25) used to provide financial direction. The key performance indicator at an operational level is results compared to budget.

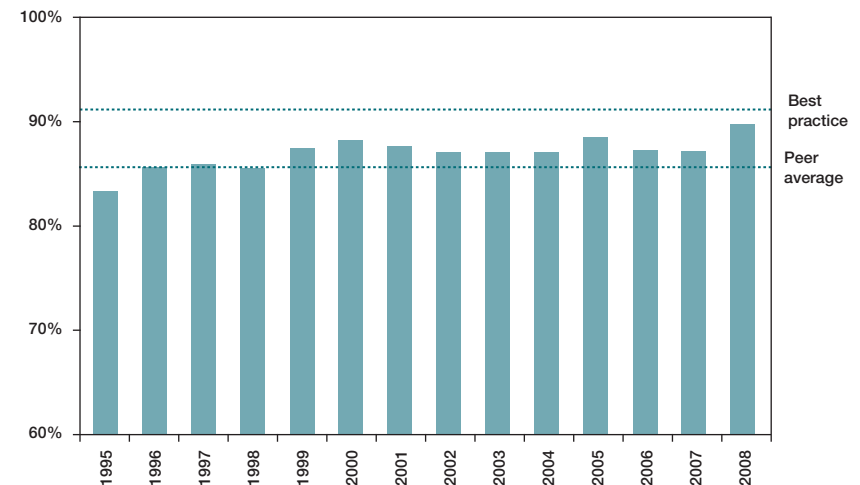
The graph highlights that Council has achieved operating and capital surpluses compared with budget every year since 1998, although favourable capital results are typically owing to timing differences on project completion.



### Customer Satisfaction

Council monitors customer satisfaction levels with Council services annually by way of an independently conducted survey. The graph shows the steady results achieved that are above peer average.

Council budgets to maintain satisfaction levels of at least peer average, but has a long term target of achieving results regarded as best practice.



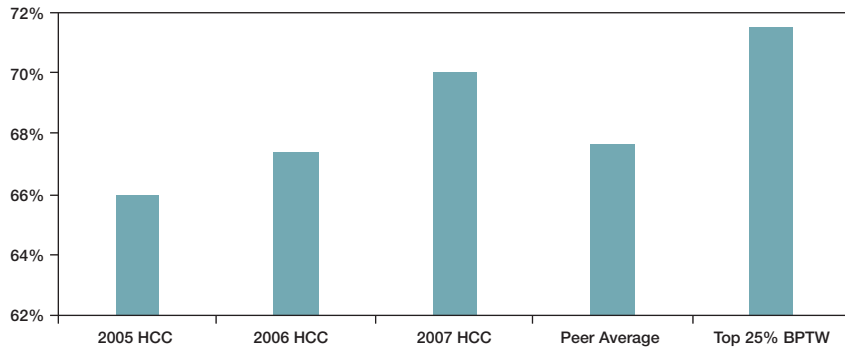
### Staff Perceptions

Council has been measuring overall satisfaction levels of staff for the last six years through independent surveys, and steady improvement has been noted over that time.

Council budgets to generally remunerate staff at close to market average levels.

Council endeavours to improve staff satisfaction by addressing staff concerns raised during the annual survey, where possible through modest cost solutions.

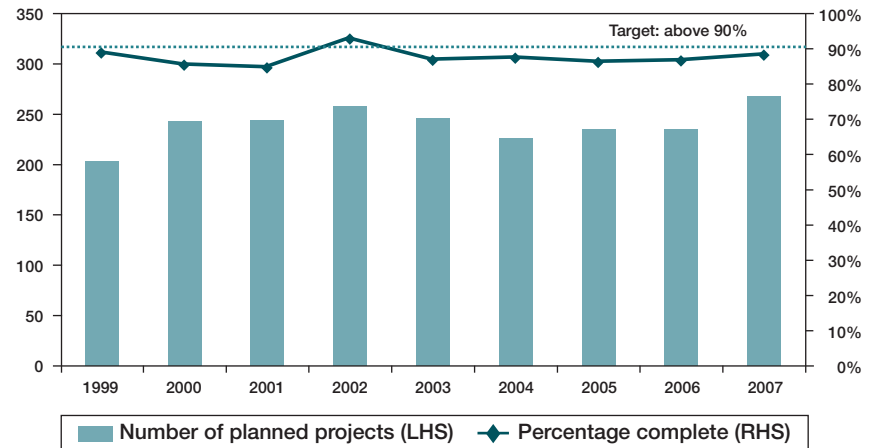
During 2005 Council changed its key performance indicator from staff satisfaction to an overall measure of staff perceptions of the organisation based on the results of John Robertson & Associates "Best Places to Work" survey (BPTW). The graph shows that the staff perceives Council to be a slightly better place to work than the average local authority, but below staff perceptions of the best places to work in New Zealand.



### Project Completion

Each year Council commits publicly to between 200 and 300 projects as described in the Annual Plan.

During the year a number of these projects will not be completed for a variety of reasons. Generally these uncompleted projects carry over into the next financial year and are completed then. Council has adopted a target of completing at least 90% of projects scheduled for the financial year.



## Compliance

YEAR	NON-COMPLIANCE INSTANCES	
	INSIGNIFICANT	SIGNIFICANT
2004	9	–
2005	6	–
2006	1	–
2007	3	–
2008	1	–

Council activity spans a wide range of businesses. As a result, compliance is a complex issue and essential to Council achieving its objectives. Council monitors its compliance with the law, contracts, consents, employment agreements, health and safety requirements and Council policy on a monthly basis. The target of having no significant non-compliance instances has been achieved each year. However, several minor breaches have been identified and remedied without any significant impact on Council operations.

## Business Excellence Assessments

Council submits itself to full independent assessments by experts in organisation performance. These assessments are used to identify areas for improvement, and also to gauge Council's performance in relation to other local authorities and best practice private sector organisations internationally.

The table indicates the significant success Council has had in recent years.

In 2006 Council received an Achievement Award from the NZ Business Excellence Foundation. Council's score was the highest ever achieved by a local authority and has only been exceeded by very few organisations.

YEAR	ASSESSOR	RESULT
1999	Business Excellence New Zealand	No recognition
2000	Business Excellence New Zealand	Local government runner up
2001	Business Excellence New Zealand	Local government winner
2002	Business Excellence New Zealand	Local government winner
2003	NZ Business Excellence Foundation	Progress award
2004	NZ Business Excellence Foundation	Commendation award
2005	No application made	–
2006	NZ Business Excellence Foundation	Achievement award
2008	Vero Excellence in Business Support Awards	Local government winner
2009	NZ Business Excellence Foundation	Application to be prepared







# What is Council Planning for Hutt City?





## WHAT IS COUNCIL PLANNING FOR HUTT CITY?

This section of the Annual Plan details the contribution made by each of Council's significant activity areas to the Community Outcomes identified by the community that indicate how the city should grow socially, culturally, economically and environmentally. See the Long Term Council Community Plan 2006-2017 at [www.huttcity.govt.nz/publications-forms/Long-Term-Community-Plan/2007](http://www.huttcity.govt.nz/publications-forms/Long-Term-Community-Plan/2007) for more information on Community Outcomes.

This section also outlines the performance measures and financial information for the significant activities. It gives the reasons why Council undertakes these activities, and the estimated revenue and expenditure for each activity.

The costs and sources of funds are shown for the whole of Council on this page and for each significant activity on the following pages. The borrowing needs and borrowing programmes for Council are indicated within the Statement of Prospective Net Debt Position on page 130 of the Forecast Financial Statements section of this Plan.

FINANCIAL AND PROGRAMME DELIVERY MEASURES FOR THE WHOLE OF COUNCIL	ACHIEVED 2006/07	TARGET 2007/08	TARGET 2008/09
Net capital and operational expenditure (measured by management reports)	Within budget	Within budget	Within budget
Complete operational and capital projects scheduled for the year (measured by management reports)	77% (The uncompleted projects were carried forward to the 2007/08 financial year.)	Complete 90%	Complete 90%

Whole of Council – Prospective Income Statement				
For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>REVENUE</b>				
Rates funding	73,534	77,370	80,078	82,737
User charges	25,531	27,450	28,916	29,371
Operating contributions	5,482	5,853	6,189	6,356
Capital contributions	4,422	4,735	4,448	5,192
Interest on investments	150	152	157	154
Other revenue	2,019	1,875	1,913	2,108
<b>Total revenue</b>	<b>111,138</b>	<b>117,435</b>	<b>121,701</b>	<b>125,918</b>
<b>EXPENDITURE</b>				
Employee costs	21,802	23,036	23,609	24,185
Operating costs	56,915	60,879	61,363	63,528
Interest expense	6,020	6,102	5,292	4,488
Depreciation	23,078	24,286	23,926	24,135
<b>Total expenditure</b>	<b>107,815</b>	<b>114,303</b>	<b>114,190</b>	<b>116,336</b>
<b>OPERATING SURPLUS BEFORE REVALUATION GAINS</b>	<b>3,323</b>	<b>3,132</b>	<b>7,511</b>	<b>9,582</b>
Revaluation gains	-	-	-	-
<b>Surplus before tax</b>	<b>3,323</b>	<b>3,132</b>	<b>7,511</b>	<b>9,582</b>
Taxation	-	-	-	-
<b>SURPLUS AFTER TAX</b>	<b>3,323</b>	<b>3,132</b>	<b>7,511</b>	<b>9,582</b>



### Whole of Council – Prospective Application of Surplus

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
Transfer from loan funding	(722)	(1,500)	3,009	4,365
Revaluation gains	–	–	–	–
Transfer to reserves	50	(103)	54	55
Capital expenditure contributions	4,422	4,735	4,448	5,192
<b>SURPLUS AFTER TAX</b>	<b>3,750</b>	<b>3,132</b>	<b>7,511</b>	<b>9,612</b>



## GROUP PEOPLE

### Community Outcomes

Hutt City residents identified the following outcomes as being important to Hutt City's future social and cultural well-being:

- A city that is safe.
- Affordable access to community facilities that include arts, cultural and recreational options.
- Encouragement of arts, cultural and sports activities including local, national and international events.
- Everyone has a quality standard of affordable housing.
- A built environment that is attractive, safe and healthy.
- A more attractive Hutt City.
- Development of the uniqueness of Hutt City including its history and culture.
- More and better focus on the harbour, river and recreation opportunities.
- A city that is friendly and welcoming where people experience a sense of belonging.
- Encouraging community involvement and engagement with civic life.
- More celebrations of tangata whenua and multi-culturalism in the city.
- Migrants are well adapted to New Zealand way of living.
- Everyone has access to a wide range of excellent education services.
- Everyone has affordable access to services that improve health.
- There is a seamless integration of health services.
- Residents have a high standard of living.

### What Role Will Hutt City Council and Other Organisations Play in Achieving these Community Outcomes?

Organisation	Advocate	Funder	Service provider	Regulator	Facilitator	Monitor
Hutt City Council	✓	✓	✓	✓	✓	✓
Police			✓			✓
Accident Compensation Corporation		✓	✓		✓	
Child, Youth and Family	✓	✓	✓			✓
Hutt Valley Health	✓				✓	✓
Te Puni Kokiri	✓				✓	
Te Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui	✓	✓	✓		✓	
Ministry of Social Development (Work and Income New Zealand)			✓		✓	
Te Taurahere o Te Awakairangi	✓	✓	✓		✓	
Nga Tekau o Poneke – the Wellington Tenth's Trust	✓	✓			✓	



Organisation	Advocate	Funder	Service provider	Regulator	Facilitator	Monitor
Greater Wellington Regional Council	✓	✓	✓	✓	✓	✓
Department of Conservation	✓	✓	✓	✓	✓	✓
Upper Hutt City Council	✓	✓	✓	✓	✓	✓
Ministry of Justice		✓				
Department of Labour		✓				
Creative New Zealand		✓				

## Significant Activities

	Page		Page
Activity 1: Libraries	54	Activity 4: Parks and Reserves	60
Activity 2: Museums	56	Activity 5: Community Support	62
Activity 3: Aquatics and Recreation	58	Activity 6: Property	64

## Activity Funding

The rationale for funding decisions in relation to each significant activity is provided in Council's Revenue and Financing Policy (see page 171).

## Significant Negative Effects

A range of actions or events may cause negative effects on the social, economic, environmental and cultural well-being of the community. However, at this stage there are no known significant negative effects surrounding Council's planned key programmes and activities.

## Group of Assets Required by the Group of Activities

Council manages the community's cultural, social and recreational assets in the form of libraries, pools, parks, and museums. These assets are maintained to agreed levels of service set out in the Asset Management Plan (see [www.huttcity.govt.nz/publications-forms/Long-Term-Community-Plan/2007](http://www.huttcity.govt.nz/publications-forms/Long-Term-Community-Plan/2007)).

## Performance Measures

Under activities listed on the following pages are performance measures and targets for each activity undertaken in the group. These measures give you an understanding of how levels of service are meaningfully assessed. Council is involved in a number of public perception feedback programmes, ie. Communitrak and Quality of Life Survey which is used in reporting these measures.

In addition, officers report monthly on progress towards Council's Key Performance Indicators (refer page 37) and other targets and measures as identified in Council's monthly management reporting and subsequent quarterly reporting. Quarterly reports are available on Hutt City Council's website: [www.huttcity.govt.nz](http://www.huttcity.govt.nz).



## Projects

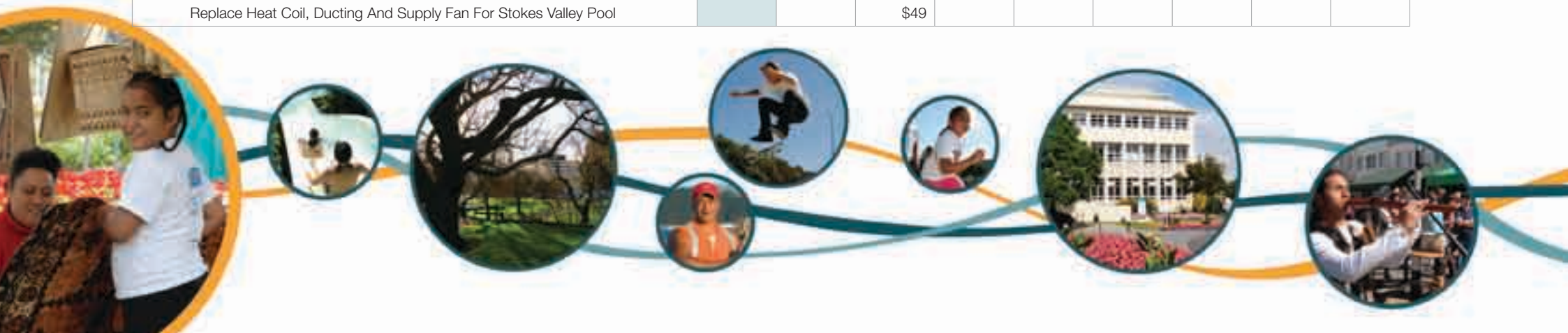
The following table identifies the capital projects Council has identified in its asset management plans to maintain and improve existing services. The estimated cost of each project has been included in the Forecast Financial Statements contained in this Annual Plan. Some project costs

include a component that is incurred to provide for anticipated future increases in demand for Council facilities as a result of growth in the city. Council's Policy on Development and Financial Contributions summarises this type of capital expenditure and how it is to be funded.

CAPITAL PROJECTS									
For the year ending 30 June	2009 \$000	2010 \$000	2011 \$000	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000
<b>01. LIBRARIES</b>									
<b>Maintenance</b>									
Library Self Issue Machines			\$63	\$64					
Library Stock Replacement	\$715	\$733	\$750	\$755	\$773	\$791	\$810	\$829	\$849
Replace Furniture & Equipment Programme All Libraries	\$60	\$51	\$42	\$43	\$44	\$45	\$46	\$47	\$48
Replace Library Shelving	\$50	\$31							
<b>New/Improvements</b>									
Community Digital Access Programme	\$350								
Digitisation Project To Work With Other Council Departments	\$25								
Eastbourne Library Refurbishment (Counter/Increasing Customer Space)			\$42						
Petone Library Interior Refurbishment (Includes \$55k Carryover)	\$85								
Security Systems For Community Libraries	\$30	\$31	\$52	\$53	\$55				
Wainuiomata Library Refurbishment			\$94						



CAPITAL PROJECTS									
For the year ending 30 June	2009 \$000	2010 \$000	2011 \$000	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000
<b>02. MUSEUMS</b>									
<b>Maintenance</b>									
Dowse Building & Plant Maintenance	\$95	\$27	\$13	\$27	\$11	\$26	\$25	\$44	\$2
Dowse Carpets & Soft Furnishings Gallery And Office				\$21			\$2	\$9	\$22
Dowse Gallery Lighting	\$10		\$10		\$11		\$11		\$12
Dowse Office Furniture & Equipment		\$2	\$3			\$3		\$2	
Museums Environmental Paint Decontaminer	\$2								
Petone Settlers Museum Building & Plant Maintenance					\$3	\$6		\$11	
Petone Settlers Museum Exhibition Furniture & Fittings	\$10						\$9		\$10
<b>New/Improvements</b>									
Dowse Museum Deck Barrier	\$40								
Dowse New Artworks	\$15	\$15	\$16	\$16	\$16	\$17	\$17	\$18	\$18
Petone Settlers Museum Collection Acquisitions	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4
Petone Settlers Museum New Gallery Lighting				\$27					\$30
<b>03. AQUATICS &amp; RECREATION</b>									
<b>Maintenance</b>									
Naenae Pool Replace Filters							\$345		
Other Projects	\$206	\$210	\$215	\$220	\$225	\$230	\$235	\$241	\$323
Replace Heat Coil, Ducting And Supply Fan For Stokes Valley Pool			\$49						





<b>CAPITAL PROJECTS</b>									
<b>For the year ending 30 June</b>	<b>2009 \$000</b>	<b>2010 \$000</b>	<b>2011 \$000</b>	<b>2012 \$000</b>	<b>2013 \$000</b>	<b>2014 \$000</b>	<b>2015 \$000</b>	<b>2016 \$000</b>	<b>2017 \$000</b>
Replace Huia Pool Boiler			\$52						
Wainuiomata Pool Replace Filters					\$273				
<b>New/Improvements</b>									
Eastbourne Pool Install Disabled Toilet And Change Room	\$21								
Huia Pool Install UV Water Treatment System	\$154								
Huia Pool Learn To Swim					\$1,091				
McKenzie Pool Replacement			\$1,250						
Naenae Pool Refurbish Reception And Entrance			\$208						
Other Pools Projects				\$96	\$100	\$105	\$111	\$116	\$152
Walter Nash Stadium Mortgage (Carryover)	\$30								
Walter Nash Upgrade			\$1,674						
<b>04. PARKS &amp; RESERVES</b>									
<b>Maintenance</b>									
Building Maintenance (Sportsgrounds)	\$150	\$154	\$157	\$160	\$164	\$167	\$170	\$174	\$178
Coast Care (Funded By MfE Grant)	\$39								
Demolition of 507 Marine Dr, Eastbourne (Landslip)	\$40								
Other Maintenance Projects	\$75	\$77	\$78	\$80	\$82	\$83	\$85	\$87	\$89
Parks Road Maintenance	\$60	\$62	\$63	\$64	\$65	\$67	\$68	\$70	\$71
Percy Scenic Reserve : Interpretation Signage		\$31							



CAPITAL PROJECTS									
For the year ending 30 June	2009 \$000	2010 \$000	2011 \$000	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000
Playgrounds	\$110	\$113	\$115	\$128	\$131	\$134	\$136	\$139	\$154
Seats And Bins	\$25	\$27	\$27	\$29	\$29	\$31	\$32	\$34	\$34
Signage And Interpretation	\$20	\$21	\$23	\$23	\$25	\$26	\$28	\$29	\$32
Street Tree Infrastructural Repairs	\$35	\$36	\$194	\$37	\$38	\$39	\$40	\$41	\$42
Street Tree Replacements	\$63	\$65	\$66	\$67	\$69				
Track Upgrading And Development	\$30	\$31	\$32	\$33	\$35	\$36	\$38	\$39	\$42
<b>New/Improvements</b>									
Avalon Park Redevelopment (Funded From Reserve Fund)	\$103								
Bollards To Prevent Vehicle Access To Reserves	\$5	\$5	\$5	\$5	\$5	\$6	\$6	\$6	\$6
Korohipa Recreation Area	\$250								
Landscape Mitigation SH2/Percy Scenic (Carryover)	\$20								
Maungaraki Green Space (Funded From Reserve Fund)	\$62	\$31							
New Cemetery Development, Akatarawa Road	\$20	\$21	\$21	\$21	\$22				
Other New/Improvements Projects		\$154	\$157	\$160	\$164	\$167	\$170	\$174	\$178
Percy Reserve SH2 Development (Carryover)	\$85								
Percy Scenic Reserve Buildings	\$40								
Rugby World Cup Hutt Recreation Ground Improvements (Funded From Reserve Fund)		\$359							
Sportgrounds Security Upgrade	\$20								
Street Tree Planting	\$50								



<b>CAPITAL PROJECTS</b>									
<b>For the year ending 30 June</b>	<b>2009 \$000</b>	<b>2010 \$000</b>	<b>2011 \$000</b>	<b>2012 \$000</b>	<b>2013 \$000</b>	<b>2014 \$000</b>	<b>2015 \$000</b>	<b>2016 \$000</b>	<b>2017 \$000</b>
Summit Road Soil Shed (Carryover)	\$120								
Taita Playground	\$30								
Wainuiomata Garden of Remembrance Toilets			\$105						
Wainuiomata Mountain Bike Facility (Funded From Reserve Fund) (Includes \$60K Carryover)	\$185								
Walter Mildenhall Park Upgrade (Funded From Reserve Fund)		\$103	\$105						
Whiorau Reserve Improvements		\$77							
<b>06. COMMUNITY PROPERTY</b>									
<b>Maintenance</b>									
Admin Building Maintenance	\$95	\$67	\$31	\$107	\$109	\$89	\$170		\$178
Avalon Park Pavilion Maintenance	\$48		\$42				\$57		\$71
CBD Community Resource Centre		\$29			\$33				
Community Halls Maintenance (Includes \$30K Carryover)	\$158	\$164	\$141	\$214	\$273	\$217	\$68	\$174	
Community Houses Maintenance	\$31	\$36	\$16			\$33		\$58	
Horticultural Hall Maintenance	\$45	\$76	\$110		\$27	\$156	\$114	\$23	\$119
Libraries Building Maintenance	\$103	\$31	\$42	\$43		\$33	\$45	\$116	
Little Theatre Maintenance	\$45	\$15	\$31		\$11		\$114		
Minoh Friendship House Maintenance	\$41	\$21	\$10			\$56		\$58	\$95
Miscellaneous Rentals Maintenance	\$39	\$21	\$21	\$64	\$27		\$68		\$47
Singles Houses (Reserves) Maintenance (Includes \$15K Carryover)	\$39	\$45	\$21		\$65			\$58	





A table outlining operating projects for the 2008/09 financial year is also printed below.

OPERATING PROJECTS	
For the year ending 30 June	2009 \$000
<b>02. MUSEUMS</b>	
Settlers Museum Feasibility Study (Carryover)	\$40
<b>03. AQUATICS &amp; RECREATION</b>	
Events Funding	\$243
Walter Nash Feasibility (Carryover)	\$50
<b>04. PARKS &amp; RESERVES</b>	
Canopy Weed Control	\$38
Hutt River Trail	\$11
NI Brown Kiwi	\$5
Problem Tree Removal (Includes \$180K Carryover)	\$370
Waiwhetu Stream Working Group	\$32
Walkways & Pest Plants	\$30

OPERATING PROJECTS	
For the year ending 30 June	2009 \$000
<b>05. COMMUNITY SUPPORT</b>	
Arts & Culture Funding	\$74
CAB Funding	\$64
Cadet Unit Support	\$15
Community Grants Contestable Fund	\$176
Community Houses Funding	\$208
Heritage Project Fund (Includes \$5K Carryover)	\$35
Hutt COSS Feasibility Study	\$20
Hutt Valley Community Arts	\$15
Marae Funding	\$130
Safety Initiatives	\$210
Scholarships	\$10
Social Development Projects	\$30
Youth Centre	\$117
Youth Centre Co-ordinator	\$34
Youth Infusion	\$10
<b>06. COMMUNITY PROPERTY</b>	
Admin Building Earthquake Strength Assessment	\$70
Review Of Community Halls (Includes \$15K Carryover)	\$55



## ACTIVITY 1: LIBRARIES

### What we do

Council provides, maintains and manages eight libraries in the city. These are run as a single city-wide service. Their primary role is to provide written and recorded material such as books, audiovisual resources and access to online information. Library services are used for many purposes including learning, research and entertainment.

### Why we do it

Council's provision of services and facilities in the form of libraries means that all citizens have access to information, knowledge, and learning opportunities. The services and facilities are a collective resource that is greater than any individual or family could afford or accommodate. Libraries support community education, literacy and recreation.

### How we measure the service provided

*Note: Survey percentages quoted exclude those who responded 'Don't Know'*

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Percentage of residents who have used library services during the year (measured by independent survey)	81%	N/A	80%	80%
Resident satisfaction with library services (measured by independent survey)	97%	98%	Equal to or above peer average	≥ 97%
Number of physical visits per annum (measured by management reports)	1,124,969	N/A	1,158,000	1,200,000
Number of virtual* visits per annum (measured by management reports)	683,320	N/A	650,000	700,000
Library stock turnover (measured by NZ Public Library Statistics)	5.85	National Mean 3.82	100% Equal to or above the National Mean	Equal to or above the National Mean

\* Visits via the internet.



**Libraries – Prospective Income Statement**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>REVENUE</b>				
User charges	491	479	549	562
Other revenue	–	–	–	–
<b>Total revenue</b>	<b>491</b>	<b>479</b>	<b>549</b>	<b>562</b>
<b>EXPENDITURE</b>				
Employee costs	3,028	3,444	3,530	3,616
Support costs	2,108	2,236	2,255	2,327
Operating costs	666	704	717	734
Interest expense	49	51	42	37
Depreciation	783	681	658	683
<b>Total expenditure</b>	<b>6,634</b>	<b>7,115</b>	<b>7,202</b>	<b>7,397</b>
<b>DEFICIT BEFORE TAX</b>	<b>(6,143)</b>	<b>(6,636)</b>	<b>(6,653)</b>	<b>(6,835)</b>

**Libraries – Prospective Funding Requirement**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(6,143)	(6,636)	(6,653)	(6,835)
<b>Total rates funding requirement</b>	<b>(6,143)</b>	<b>(6,636)</b>	<b>(6,653)</b>	<b>(6,835)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	(838)	(825)	(814)	(854)
Capital expenditure – improving services	(143)	(490)	(31)	(188)
Less depreciation	783	681	658	683
<b>Total loan funding surplus</b>	<b>(198)</b>	<b>(634)</b>	<b>(187)</b>	<b>(359)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(6,341)</b>	<b>(7,270)</b>	<b>(6,840)</b>	<b>(7,194)</b>



## ACTIVITY 2: MUSEUMS

### What we do

Council operates two museums. TheNewDowse collects and displays fine art as well as decorative and applied arts, and celebrates a wide range of creative activities from music to design and film. The Petone Settlers Museum specialises in the social history of the lower Hutt Valley and Petone. These institutions are open to the public at no charge, other than for special exhibitions.

### Why we do it

Council's provision of museums means that people have access to arts and cultural facilities that enrich, inspire and offer a range of lifelong learning opportunities. The museums act as a focal point for the community, enhance cultural life and diversity, and promote public pride and community values.

### How we measure the service provided

*Note: Survey percentages quoted exclude those who responded 'Don't Know'*

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Number of museum visits per annum (measured by management reports)	107,799	N/A	120,000 (baseline & increasing)	120,000 (baseline & increasing)
Resident satisfaction with TheNewDowse museum (measured by independent survey)	91%	92%	Equal to or above peer average	≥ 91%
Resident satisfaction with Petone Settlers Museum (measured by independent survey)	89%	92%	Equal to or above peer average	≥ 89%
Education programmes delivered that meet the needs and expectations of school groups (measured by management reports and participant evaluation forms)	New measure for 2008/09	N/A	New measure for 2008/09	Education programmes delivered to 11,000 students 90% satisfaction





**Museums – Prospective Income Statement**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>REVENUE</b>				
User charges	229	263	268	274
Capital contributions	–	–	–	–
Other revenue	358	443	451	462
<b>Total revenue</b>	<b>587</b>	<b>706</b>	<b>719</b>	<b>736</b>
<b>EXPENDITURE</b>				
Employee costs	1,074	1,151	1,179	1,208
Support costs	465	545	549	567
Operating costs	793	994	971	994
Interest expense	74	78	67	56
Depreciation	208	346	339	333
<b>Total expenditure</b>	<b>2,614</b>	<b>3,113</b>	<b>3,105</b>	<b>3,158</b>
<b>DEFICIT BEFORE TAX</b>	<b>(2,027)</b>	<b>(2,407)</b>	<b>(2,386)</b>	<b>(2,422)</b>

**Museums – Prospective Funding Requirement**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(2,027)	(2,407)	(2,386)	(2,422)
Add capital contributions	–	–	–	–
<b>Total rates funding requirement</b>	<b>(2,027)</b>	<b>(2,407)</b>	<b>(2,386)</b>	<b>(2,422)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	(84)	(116)	(29)	(26)
Capital expenditure – improving services	(358)	(58)	(18)	(19)
Less capital contributions	–	–	–	–
Less depreciation	208	346	339	333
<b>Total loan funding (requirement)/surplus</b>	<b>(234)</b>	<b>172</b>	<b>292</b>	<b>288</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(2,261)</b>	<b>(2,235)</b>	<b>(2,094)</b>	<b>(2,134)</b>



## ACTIVITY 3: AQUATICS AND RECREATION

### What we do

Council provides and maintains six swimming pools in Hutt City as part of its portfolio of recreational facilities. It provides quality and accessible tuition in essential water safety and life skills. Recreational programmes are community-based and designed to encourage residents to engage in a range of recreational activities.

### Why we do it

Participation in recreation, sports, fitness and cultural activities positively affects people's lives. Providing these high quality services at a low user cost makes them available to the whole community. Quality recreation services are essential to the quality of life for Hutt City citizens. Aquatics and recreational programmes also make an important contribution to creating an attractive area for people and businesses considering moving to Hutt City.

### How we measure the service provided

*Note: Survey percentages quoted exclude those who responded 'Don't Know'*

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Resident satisfaction with pools (measured by independent survey)	93%	88%	Equal to or above peer average	≥ 93%
Resident use of pools (measured by independent survey)	65%	61%	Equal to or above peer average	≥ 65%

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Out of School Care and Recreation (OSCAR) accreditation of quality standards for holiday programmes (measured by external audit)	Accreditation maintained	N/A	Accreditation maintained	Accreditation maintained
POOLSAFE accreditation for swimming pool operation, including quality standards for health and safety, water quality, supervision, building and operating pools, signage and other standards (measured by external audit)	Accreditation maintained	N/A	Accreditation maintained	Accreditation maintained
Cost per visit to the Council of Aquatic Services provided (measured by management reports)	\$3.70	N/A	\$3.96	\$3.96



**Aquatics and Recreation – Prospective Income Statement**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>REVENUE</b>				
User charges	1,601	1,967	2,116	2,176
Other revenue	234	465	473	484
<b>Total revenue</b>	<b>1,835</b>	<b>2,432</b>	<b>2,589</b>	<b>2,660</b>
<b>EXPENDITURE</b>				
Employee costs	2,134	2,544	2,607	2,671
Support costs	727	639	644	665
Operating costs	2,273	2,769	2,792	2,870
Interest expense	76	80	69	58
Depreciation	676	658	634	650
<b>Total expenditure</b>	<b>5,886</b>	<b>6,689</b>	<b>6,746</b>	<b>6,914</b>
<b>DEFICIT BEFORE TAX</b>	<b>(4,051)</b>	<b>(4,257)</b>	<b>(4,157)</b>	<b>(4,254)</b>

**Aquatics and Recreation – Prospective Funding Requirement**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(4,051)	(4,257)	(4,157)	(4,254)
<b>Total rates funding requirement</b>	<b>(4,051)</b>	<b>(4,257)</b>	<b>(4,157)</b>	<b>(4,254)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	(490)	(206)	(210)	(316)
Capital expenditure – improving services	(320)	(175)	–	(1,459)
Less depreciation	676	658	634	650
Transfer from capital reserve	300	–	–	–
<b>Total loan funding surplus/(requirement)</b>	<b>166</b>	<b>277</b>	<b>424</b>	<b>(1,125)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(3,885)</b>	<b>(3,980)</b>	<b>(3,733)</b>	<b>(5,379)</b>



## ACTIVITY 4: PARKS AND RESERVES

### What we do

Council provides and maintains active and passive recreational facilities in Hutt City for the enjoyment and well-being of the public. These are largely free of charge. Recreation areas are both natural and developed with the majority of effort targeted at maintaining developed areas and retaining bush land in its natural state. "Parks and Reserves" also includes Council's cemeteries.

### Why we do it

The provision and maintenance of parks, reserves and street gardens creates a pleasant environment in which to live, work and play, which is an important part of the Vision for the City. Providing and maintaining these areas at high quality and low user cost makes them available to the whole community.

### How we measure the service provided

*Note: Survey percentages quoted exclude those who responded 'Don't Know'*

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Resident satisfaction with:				
• sports grounds	98%	94%	Equal to or above peer average (all measures)	≥ 95%
• parks, reserves and gardens	98%	97%		≥ 95%
• cemeteries (measured by independent survey)	95%	91%		≥ 90%

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Sports fields meet the standard agreed with sports codes (measured by audits and complaints received)	98%	N/A	95%	≥ 95%
Area of parks and reserves per thousand of population	53 hectares	N/A	24.9 hectares	≥ 24.9 hectares
Percentage of households that have used or visited parks, reserves or gardens in the last 12 months (measured by independent survey)	89%	N/A	85%	≥ 89%
Maintain a high standard of maintenance and development of playgrounds, parks, reserves, gardens and cemeteries (measured by audits)	100%	N/A	100%	95% of contract and asset management plan requirements met



**Parks and Reserves – Prospective Income Statement**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>REVENUE</b>				
User charges	869	937	954	1,028
Capital contributions	260	604	560	573
Other revenue	5	46	46	47
<b>Total revenue</b>	<b>1,134</b>	<b>1,587</b>	<b>1,560</b>	<b>1,648</b>
<b>EXPENDITURE</b>				
Employee costs	567	651	667	683
Support costs	448	522	527	544
Operating costs	7,102	7,025	7,016	7,159
Interest expense	596	625	540	456
Depreciation	728	857	856	865
<b>Total expenditure</b>	<b>9,441</b>	<b>9,680</b>	<b>9,606</b>	<b>9,707</b>
<b>DEFICIT BEFORE TAX</b>	<b>(8,307)</b>	<b>(8,093)</b>	<b>(8,046)</b>	<b>(8,059)</b>

**Parks and Reserves – Prospective Funding Requirement**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(8,307)	(8,093)	(8,046)	(8,059)
Add capital contributions	(260)	(604)	(560)	(573)
<b>Total rates funding requirement</b>	<b>(8,567)</b>	<b>(8,697)</b>	<b>(8,606)</b>	<b>(8,632)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	(598)	(647)	(614)	(755)
Capital expenditure – improving services	(3,453)	(1,020)	(748)	(2,066)
Less capital contributions	260	604	560	573
Less depreciation	728	857	856	865
Transfer from capital reserve	1,180	–	–	–
<b>Total loan funding surplus/(requirement)</b>	<b>(1,883)</b>	<b>(206)</b>	<b>54</b>	<b>(1,383)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(10,450)</b>	<b>(8,903)</b>	<b>(8,552)</b>	<b>(10,015)</b>



## ACTIVITY 5: COMMUNITY SUPPORT

### What we do

Council seeks to support its community through appropriately responding to community needs. This support includes facilitation, advocacy, consultation and service provision, and allocation of grants to community organisations and groups. These services are carried out through Council's Community Development Division or through private contracts. Council has increased focus on working with Government Agencies and utilising funding from externally sourced contracts to provide services to the community.

### Why we do it

Council has a policy of understanding and identifying its communities and their issues. Through greater knowledge of local needs, Council is able to suitably respond to social issues affecting the members and groups of communities it represents. The support that Council contributes assists groups to achieve their goals where it would not otherwise have been possible owing to lack of resources.

### How we measure the service provided

*Note: Survey percentages quoted exclude those who responded 'Don't Know'*

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Customer satisfaction with Community Development (measured by: <ul style="list-style-type: none"> <li>independent survey, and</li> <li>customer survey)</li> </ul>	78% 98%	N/A	90%	90%
Work with other agencies to provide a service to the community (measured by management reports)	3 programmes developed and implemented with key milestones achieved	N/A	At least 3 programmes or plans	3 programmes or plans



**Community Support – Prospective Income Statement**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>REVENUE</b>				
User charges	20	20	20	21
Other revenue	170	158	161	164
<b>Total revenue</b>	<b>190</b>	<b>178</b>	<b>181</b>	<b>185</b>
<b>EXPENDITURE</b>				
Employee costs	605	614	629	644
Support costs	429	460	464	479
Operating costs	1,367	1,396	1,351	1,352
<b>Total expenditure</b>	<b>2,401</b>	<b>2,470</b>	<b>2,444</b>	<b>2,475</b>
<b>DEFICIT BEFORE TAX</b>	<b>(2,211)</b>	<b>(2,292)</b>	<b>(2,263)</b>	<b>(2,290)</b>

**Community Support – Prospective Funding Requirement**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(2,211)	(2,292)	(2,263)	(2,290)
<b>Total rates funding requirement</b>	<b>(2,211)</b>	<b>(2,292)</b>	<b>(2,263)</b>	<b>(2,290)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(2,211)</b>	<b>(2,292)</b>	<b>(2,263)</b>	<b>(2,290)</b>



## ACTIVITY 6: PROPERTY

### What we do

Council manages a variety of properties for use by the community. The main portfolios are community and civic halls and venues, public toilets, community houses, and Council's administration building.

Progressive reviews of these facilities ensure they remain efficient and meet changing public requirements.

Council also holds a 100% shareholding in UrbanPlus Limited, a Council-Controlled Trading Organisation. UrbanPlus Limited owns and manages housing units primarily to provide housing for the elderly and socially disadvantaged in accordance with Council's Housing Policy. UrbanPlus' aim is to increase the number of properties available to residents within the next three years.

### Why we do it

Community and civic halls and venues provide an environment for a diverse range of social, cultural and community-based activities, including clubs, indoor sports, band practice, arts and theatre. Public toilets are provided which are physically accessible, appropriately located, designed and built, and cleaned and maintained to standards that safeguard public health. Council continues to assess its property needs in terms of the properties it currently owns and occupies. This may result in upgrades of properties and sales of surplus assets from time to time.

### How we measure the service provided

*Note: Survey percentages quoted exclude those who responded 'Don't Know'*

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Tenant satisfaction with Council accommodation (measured by internal survey)	Not measured	N/A	90%	90%
Resident satisfaction with: <ul style="list-style-type: none"> <li>public halls</li> <li>public toilets</li> </ul> (measured by independent survey)	94% 58%	91% 76%	Greater than or equal to peer average (all measures)	≥ 94% ≥ 58%
Occupancy rate of Council rental housing (measured by management reports)	94%	N/A	90%	90%





Property – Prospective Income Statement				
For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>REVENUE</b>				
User charges	734	751	770	785
Capital contributions	–	350	–	–
<b>Total revenue</b>	<b>734</b>	<b>1,101</b>	<b>770</b>	<b>785</b>
<b>EXPENDITURE</b>				
Employee costs	–	–	–	–
Support costs	(1,328)	(1,211)	(1,221)	(1,260)
Operating costs	2,727	2,732	2,687	2,742
Interest expense	358	375	324	273
Depreciation	1,244	1,356	1,335	1,342
<b>Total expenditure</b>	<b>3,001</b>	<b>3,253</b>	<b>3,125</b>	<b>3,097</b>
<b>DEFICIT BEFORE TAX</b>	<b>(2,267)</b>	<b>(2,152)</b>	<b>(2,355)</b>	<b>(2,312)</b>

Property – Prospective Funding Requirement				
For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(2,267)	(2,152)	(2,355)	(2,312)
Add capital contributions	–	(350)	–	–
<b>Total rates funding requirement</b>	<b>(2,267)</b>	<b>(2,502)</b>	<b>(2,355)</b>	<b>(2,312)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	(414)	(599)	(503)	(465)
Capital expenditure – improving services	(393)	(1,470)	(1,106)	(952)
Less capital contributions	–	350	–	–
Less depreciation	1,244	1,356	1,335	1,342
Less asset sales	1,397	4,312	2,006	8,809
<b>Total loan funding surplus</b>	<b>1,834</b>	<b>3,949</b>	<b>1,732</b>	<b>8,734</b>
<b>TOTAL FUNDING SURPLUS</b>	<b>(433)</b>	<b>1,447</b>	<b>(623)</b>	<b>6,422</b>



## GROUP UTILITY SERVICES

### Community Outcome

Hutt City residents identified the following outcomes as being important to Hutt City:

- Effective and efficient public transport that results in increased use of public transport.
- Enhanced roading systems particularly State Highway 2, Cross Valley Link, State Highway 1 and Hutt CBD.
- Continual upgrade and provision for growth to make Hutt City interesting and attractive to people.
- More investment in sustainable transportation solutions – public transport, car pools, bicycle lanes.
- Affordable access to community facilities that include arts, cultural and recreational options.
- A diverse natural environment that is accessible, enjoyable and safe.
- Everyone has a quality standard of affordable housing.
- Roothing, water and waste (including recycling) services work and are accessible to all.
- Maintenance and continual upgrade of services to allow for security and growth.

### What role will Hutt City Council and other organisations play in achieving these community outcomes?

Organisation	Advocate	Funder	Service provider	Regulator	Facilitator	Monitor
Hutt City Council	✓	✓	✓			✓
Greater Wellington Regional Council		✓				✓
Upper Hutt City Council	✓	✓				
Ministry of Health				✓		✓
Private Sector Contractors			✓			
Land Transport New Zealand		✓				

### Significant Activities

	Page		Page
Activity 7: Roothing and Traffic	75	Activity 10: Stormwater	85
Activity 8: Water Supply	81	Activity 11: Solid Waste	87
Activity 9: Wastewater	83		



## Activity Funding

The rationale for funding decisions in relation to each significant activity is provided in Council's Revenue and Financing Policy (see page 171).

## Significant Negative Effects

A range of actions or events may cause negative effects on the social, economic, environmental and cultural well-being of the community. Examples are provided below.

### Stormwater and Wastewater

Extreme weather events may exceed the capacity of existing stormwater and wastewater drainage systems resulting in flooding, damage to property, and wastewater overflows.

This Annual Plan includes operating programmes and capital projects designed to improve drainage capacity and performance across the city and target identified problems areas.

### Water Supply

Any unsustainable abstraction of water may have adverse effects on natural environments and ecosystems, whilst water shortages or poor quality drinking water may affect community health.

Council works closely with Greater Wellington Regional Council to ensure abstractions remain within resource consent limits, and has programmes and projects in place to ensure water quality meets NZ Drinking Water Standards. Water conservation is promoted and planning is underway to ensure that available water supplies keep pace with projected regional growth and demand.

## Solid Waste

Uncontained refuse and litter can have detrimental health and environmental effects. Council has in place educational programmes to promote waste reduction, reuse and recycling. For the disposal of residual waste, Council owns and operates landfills which fully comply with resource consent conditions and are managed and operated to "best practice" standards.

## Roading

Construction of new, and maintenance of existing, roads can potentially give rise to noise, dust, and traffic congestion, whilst road accidents can and will occur even on the most efficient road network.

Council roading contracts are governed by strict health, safety and quality requirements to mitigate the effects of road works. This Annual Plan outlines operating programmes and capital projects designed to promote traffic safety and reduce accident numbers and severity.

## Group of Assets Required by the Group of Activities

Council manages the community's infrastructural assets in the form of water and wastewater collection and distribution, as well as roading networks.

## Performance Measures

Under activities listed on the following pages are performance measures and targets for each activity undertaken in the group. These measures give you an understanding of how levels of service are meaningfully assessed. Council is involved in a number of public perception feedback programmes, i.e. Communitrak and Quality of Life Survey which is used in reporting these measures.



In addition, officers report monthly on progress towards Council's Key Performance Indicators (refer page 37) and other targets and measures as identified in Council's monthly management reporting and subsequent quarterly reporting. Quarterly reports are available on Hutt City Council's website: [www.huttcity.govt.nz](http://www.huttcity.govt.nz).

## Projects

The following table identifies the capital projects Council has identified in its asset management plans to maintain and improve existing services. The estimated cost of each project has been included in the Forecast Financial Statements contained in this Annual Plan. Some project costs

include a component that is incurred to provide for anticipated future increases in demand for Council facilities as a result of growth in the city. Council's Policy on Development and Financial Contributions summarises this type of capital expenditure and how it is to be funded.

For the roading activity road projects will qualify for Land Transport New Zealand subsidies of varying rates, but typically 50%.

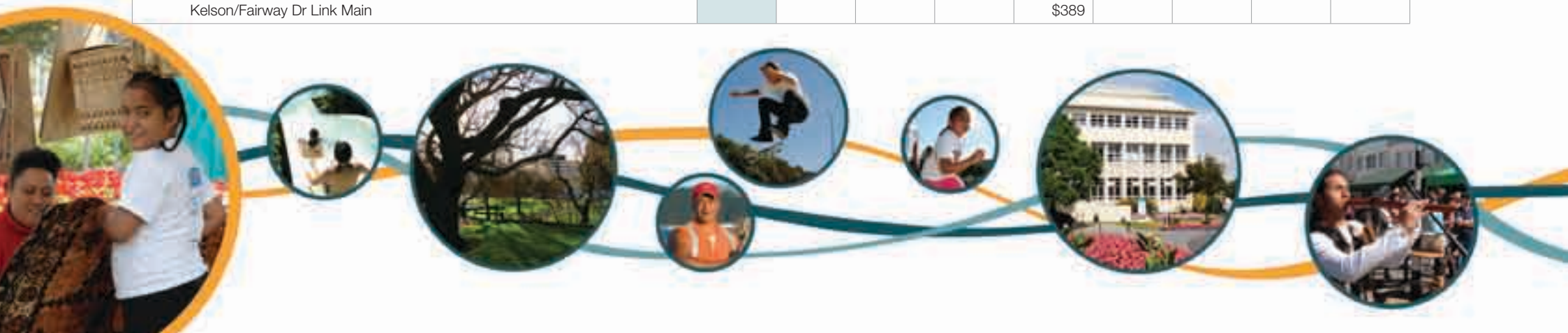
CAPITAL PROJECTS									
For the year ending 30 June	2009 \$000	2010 \$000	2011 \$000	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000
<b>07. ROADING AND TRAFFIC</b>									
<b>Maintenance</b>									
Area Wide Pavement Treatment (Subsidy:48%)	\$475	\$544	\$559	\$589	\$1,467	\$1,505	\$1,546	\$1,583	\$1,624
Carpark Resurfacing	\$51	\$53	\$54	\$55	\$57	\$58	\$60	\$61	\$63
Footpath Resurfacing & Replacement	\$205	\$211	\$217	\$222	\$228	\$234	\$240	\$246	\$252
Minor Road & Footpath Construction	\$72	\$74	\$76	\$78	\$80	\$82	\$84	\$86	\$89
Minor Safety Works (Subsidy:58%)	\$51	\$53	\$54	\$55	\$57	\$58	\$60	\$61	\$63
Pavement Surfacing (Subsidy:48%)	\$4,531	\$4,490	\$4,612	\$4,488	\$3,742	\$3,840	\$3,944	\$4,038	\$4,143
Pay & Display Extension						\$342	\$351	\$360	
Pedestrian Crossing Renewal (Subsidy:58%)	\$31	\$32	\$33	\$34	\$34	\$35	\$36	\$37	\$38
Road Reconstruction (Heretaunga Street) (Subsidy:17%)			\$422	\$462		\$434	\$446		\$469
Road Smoothing (Subsidy:57%)	\$477	\$614	\$631	\$861	\$883	\$906	\$931	\$953	\$978



CAPITAL PROJECTS									
For the year ending 30 June	2009 \$000	2010 \$000	2011 \$000	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000
Street Name Sign Replacement (Subsidy:48%)	\$40	\$21	\$21	\$22	\$22	\$23	\$23	\$24	\$25
Streetlight Lantern Replacement Programme (Subsidy:48%)	\$51	\$53	\$54	\$55	\$57	\$58	\$60	\$61	\$63
Streetlight Standard Replacement (Subsidy:48%)	\$20	\$21	\$21	\$22	\$22	\$23	\$23	\$24	\$25
Traffic Signal Replacement (Subsidy:48%)	\$189	\$155	\$159	\$162	\$167	\$188	\$199	\$204	\$209
Wainuiomata Hill Rd Safety Seal (Subsidy:48%)	\$205	\$211	\$550	\$563	\$578	\$593	\$609	\$623	\$640
<b>New/Improvements</b>									
Broad Band Ducting	\$21	\$22	\$22	\$23	\$23	\$24	\$25	\$25	\$26
CBD Ring Road (Subsidy:58%)	\$30		\$295	\$278	\$287	\$356			
Cuba Street Overbridge Strengthening (Subsidy:58%)				\$466					
Cycleway Network Development (Subsidy:58%)	\$151	\$156	\$160	\$164	\$168	\$172	\$177	\$181	\$186
Eastern Bays Walkway (Subsidy:58%)	\$180		\$286	\$78	\$80	\$82	\$84	\$86	\$89
Land Purchase For Roads	\$10	\$10	\$11	\$11	\$11	\$11	\$12	\$12	\$12
Local Area Traffic Management (Subsidy:58%)	\$51	\$53	\$54	\$55	\$57	\$58	\$60	\$61	\$63
Market Grove Carpark	\$180								
Melling Bridge Duplication (Subsidy:58%)									\$13,038
New Pedestrian Crossings (Subsidy:58%)	\$51	\$53	\$54	\$55	\$57	\$58	\$60	\$61	\$63
Reconstruction Improvements			\$85	\$87		\$91	\$94		\$98
Roading Network Improvements								\$18,417	
State Highway 2 Upgrade	\$100	\$52							
Substandard Road Upgrading		\$258	\$265	\$271	\$278	\$285	\$293	\$300	\$308
Traffic Safety Improvements (Subsidy:19%)	\$350	\$361	\$688	\$704	\$722	\$585	\$601	\$615	\$631
Witako/Waterloo Rd Intersection Improvements (Subsidy:58%)					\$284				



CAPITAL PROJECTS									
For the year ending 30 June	2009 \$000	2010 \$000	2011 \$000	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000
<b>08. WATER SUPPLY</b>									
<b>Maintenance</b>									
Benge Crescent – Ridermain And Services	\$90								
Dalton Grove – Ridermain And Services	\$70								
Ilam Grove – Ridermain And Services	\$62								
Kelson Pump Station Inlet Main	\$130								
Main Road Watermain And Services – Phase 2	\$270								
Minor Works	\$160								
Other Maintenance Projects		\$1,379	\$1,681	\$1,768	\$1,881	\$1,991	\$2,097	\$2,149	\$2,207
Pump Station Renewal		\$43	\$49	\$54	\$56	\$57	\$58	\$60	\$61
Reservoir Hatch Security	\$25								
Reservoir Renewal		\$67	\$37	\$54	\$41	\$223	\$132	\$56	\$45
Scada – Renewals	\$30	\$26	\$26	\$27	\$28	\$28	\$29	\$30	\$31
Taita Pump Station Valve Replacement	\$25								
Upgrade of Pump Station Soft Starters	\$15								
Wilkie Crescent Pump Station Switchboard Upgrade	\$30								
<b>New/Improvements</b>									
Emergency Supply Point (Valving)					\$89				
Emergency Water Storage Tanks						\$171			
Kelson/Fairway Dr Link Main					\$389				



<b>CAPITAL PROJECTS</b>									
<b>For the year ending 30 June</b>	<b>2009 \$000</b>	<b>2010 \$000</b>	<b>2011 \$000</b>	<b>2012 \$000</b>	<b>2013 \$000</b>	<b>2014 \$000</b>	<b>2015 \$000</b>	<b>2016 \$000</b>	<b>2017 \$000</b>
Normandale Reservoir Upgrade									\$159
Petone/Hutt Link Mains (Tama North)						\$570			
Reservoir Seismic Upgrade (General) (Includes \$200K Carryover)	\$200		\$423	\$705	\$722				
Reservoir Seismic Upgrade (Maungaraki)	\$465								
Sweetacres Reservoir Upgrade							\$1,179		
Sweetacres Watermain Upgrade								\$610	
<b>09. WASTEWATER</b>									
<b>Maintenance</b>									
Leighton Avenue Sewer Replacement	\$1,620								
Local Other Maintenance Projects		\$2,264	\$2,325	\$2,399	\$2,518	\$2,717	\$3,031	\$3,502	\$4,121
Local Pumping Stations	\$80	\$82	\$85	\$87	\$89	\$91	\$93	\$96	\$98
Minor Works	\$170								
Pressure Testing of Sewers	\$300								
Scada	\$26	\$27	\$27	\$28	\$29	\$30	\$30	\$31	\$32
Trunk Non DBO Minor Works	\$10								
Trunk DBO Asset Replacement Fund (Subsidy:26%)	\$708	\$761	\$1,173	\$1,203	\$1,233	\$1,264	\$1,260	\$897	\$920
Trunk DBO Pipeline Cyclic Replacement (Includes \$500K Carryover) (Subsidy:32%)	\$800	\$309	\$317	\$325	\$333	\$342	\$350	\$359	\$368
Trunk DBO Main Outfall Pipeline Renewal (Subsidy:29%)				\$217	\$889	\$12,529			
Vista Grove Sewer Replacement	\$100								



CAPITAL PROJECTS									
For the year ending 30 June	2009 \$000	2010 \$000	2011 \$000	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000
<b>New/Improvements</b>									
Malone Rd Catchment Capacity Improvement	\$334								
Pumping Station Mahina Bay Flowmeter			\$18						
Resource Consent – Malone Rd & Hinemoa St	\$90	\$41							
Trunk Non-DBO Flow Meter In Te Marua			\$18						
Trunk DBO Main Outfall Pipeline Boost Pumping Station (Subsidy:29%)					\$556	\$9,112			
Trunk DBO Type A Network Development (Includes \$150K Carryover) (Subsidy:32%)	\$450	\$268	\$317	\$217	\$222	\$228	\$233	\$239	\$368
Trunk DBO Type B Network Development (Subsidy:31%)	\$315	\$103	\$529	\$488	\$444	\$228	\$233	\$239	\$245
<b>10. STORMWATER</b>									
<b>Maintenance</b>									
Gracefield Stormwater Renewals	\$252								
Minor Asset Renewals	\$133								
Scada	\$26	\$26	\$37	\$27	\$28	\$28	\$29	\$30	\$31
Total Renewals Network		\$463	\$492	\$524	\$563	\$611	\$665	\$728	\$805
Total Renewals Utilities	\$77	\$77	\$79	\$81	\$83	\$85	\$88	\$90	\$92





CAPITAL PROJECTS									
For the year ending 30 June	2009 \$000	2010 \$000	2011 \$000	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000
<b>New/Improvements</b>									
Adelaide Street			\$415						
Ariki Street						\$319			
Awamutu Stream		\$431	\$814	\$1,144	\$1,961	\$2,312	\$292	\$299	
Black Creek Stage 3		\$206	\$1,691	\$835					
Cheviot Road (Lowry Bay) (Carryover)	\$150								
Esplanade						\$399			
Hutt River Backflow Electrical				\$217		\$228		\$239	
Hutt River Floodplain	\$278	\$289	\$264	\$271		\$285		\$299	
Melling Road Pump Station								\$1,196	
Percy Cameron				\$379					
Queen St					\$778				
Rutherford St								\$1,196	
Victoria Street	\$420								
Waiwhetu Stream Contribution To Remediation		\$317	\$423	\$976	\$1,000				
Walter Road (Eastbourne) (Carryover)	\$150								
<b>11. SOLID WASTE</b>									
<b>New/Improvements</b>									
Cleanfill Site Development	\$20	\$20	\$21						
Silverstream Landfill Stage Two	\$600	\$1,323	\$1,198	\$1,386	\$2,346	\$1,452	\$1,029	\$936	\$2,037
Wainuiomata – Closure Costs				\$373					



A table outlining operating projects for the 2008/09 financial year is also printed below.

OPERATING PROJECTS	
For the year ending 30 June	2009 \$000
<b>07. ROADING AND TRAFFIC</b>	
Cross Valley Link Study (Carryover)	\$100
<b>09. WASTEWATER</b>	
DBO Main Outfall Leak Invest & Repairs	\$300
<b>10. STORMWATER</b>	
Gracefield Stormwater Drains	\$100
Opahu Stream Pvte Prop Flood Protection	\$65



## ACTIVITY 7: ROADING AND TRAFFIC

### What we do

This activity includes the professional and technical work involved in providing ongoing management of the city's roading network. It also provides for improvement and day-to-day operation and maintenance of footpaths, road pavement/reconstruction/upgrades, traffic signals, signs, street lighting, parking services, bridge maintenance and various road safety activities. These initiatives are supported through policy development, forward planning, road safety co-ordination, and various quality and safety management systems.

### Why we do it

Public ownership of the road corridor ensures appropriate property access and freedom of travel throughout the area for all citizens. Sealed roads, footpaths and street lights are provided for the efficient and safe travel of motor vehicles, bicycles and pedestrians.

### How we measure the service provided

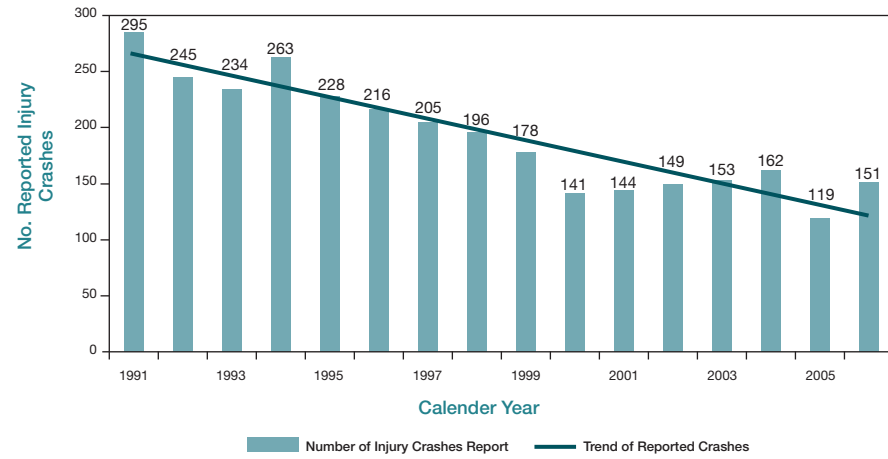
*Note: Survey percentages quoted exclude those who responded 'Don't Know'*

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Resident satisfaction with:				
• street lighting	87%	89%		≥ 87%
• road and gutters being free of litter	86%	76%		≥ 86%
• traffic control	82%	Not available		≥ 82%
• footpaths	81%	79%	Equal to or above peer average (all measures)	≥ 81%
• roads	74%	80%		≥ 74%
• parking in and around Hutt City	71%	61%		≥ 71%
• the safety and convenience of movement around city streets	82%	Not available		≥ 82%
(measured by independent survey)				



MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Road Condition Index measuring the condition of the road surface (measured by LTNZ)	2.7	N/A	Hold or improve rating	Hold or improve rating
Smooth Travel Exposure which is a nationally accepted measure of road roughness (measured by LTNZ)	75%	N/A	Hold or improve rating	Hold or improve rating
Accident trend (measured by LTNZ)	See table	N/A	Reducing trend over 10 years	Contribute to a reducing trend over 10 years

### Hutt City Local Roads Annual Reported Crashes



## Land Transport Programme

### 2008/09 Projects

PROJECT	DESCRIPTION	CATEGORY	PRIORITY (IMPROVEMENTS ONLY)	TOTAL COST	START DATE	DURATION	OBJECTIVES (IMPROVEMENTS ONLY)	CONTRIBUTION TO THE PURPOSE & OBJECTIVES OF THE LAND TRANSPORT MANAGEMENT ACT
Area wide pavement treatment	Work identified by Council's Road Asset Maintenance and Management System (RAMM) for the repair of failing road pavements	Capital Maintenance		\$475,000	1 July 08	1 year		
Car park resurfacing	Resurfacing of off road car parks to maintain pavement durability	Capital Maintenance		\$51,000	1 July 08	1 year		
Footpath resurfacing & replacement	Work identified by RAMM for the resurfacing of asphalt footpaths and the replacement of concrete footpaths	Capital Maintenance		\$205,000	1 July 08	1 year		
Minor road and footpath construction	Minor road and footpath works at localised sites where problems are identified	Capital Maintenance		\$72,000	1 July 08	1 year		
Minor safety works	The construction of minor traffic safety improvements identified throughout the year	Capital Maintenance		\$51,000	1 July 08	1 year		
Pavement surfacing	Resurfacing work identified by RAMM to maintain waterproof and skid resistant roads	Capital Maintenance		\$4,736,000	1 July 08	1 year		
Pedestrian crossing renewal	Replacement and modification of existing pedestrian crossings to enhance safety	Capital Maintenance		\$31,000	1 July 08	1 year		
Road smoothing	Work identified by RAMM to maintain the 'quality of ride' on the city's roads	Capital Maintenance		\$477,000	1 July 08	1 year		



PROJECT	DESCRIPTION	CATEGORY	PRIORITY (IMPROVEMENTS ONLY)	TOTAL COST	START DATE	DURATION	OBJECTIVES (IMPROVEMENTS ONLY)	CONTRIBUTION TO THE PURPOSE & OBJECTIVES OF THE LAND TRANSPORT MANAGEMENT ACT
Street name sign replacement	A cyclic programme to replace and improve the standard of street name signage citywide	Capital Maintenance		\$40,000	1 July 08	1 year		
Streetlight lantern replacement programme	A cyclic programme to replace older, less efficient lanterns with 50 watt sodium lanterns	Capital Maintenance		\$51,000	1 July 08	1 year		
Streetlight standard replacement	Minor allowance to provide for the replacement of streetlights at the end of their useful lives	Capital Maintenance		\$20,000	1 July 08	1 year		
Traffic signal replacement	A cyclic programme for the replacement of traffic signal components	Capital Maintenance		\$189,000	1 July 08	1 year		
Broad band ducting	Provision for ducting during road works to allow for future broadband installation	Capital Improvements	5	\$21,000	1 July 08	1 year	To avoid disruption from future Telecommunications trenching	Improved access and mobility through minimising disruption through trenching works
Cycleway network development	Continued development of main route cycle network to improve cyclist safety and encourage the use of cycles	Capital Improvements	4	\$151,000	1 July 08	1 year	Extension of cycleway network	Assisting safety/improved access and mobility/ ensuring environmental sustainability
Eastern Bays walkway/cycle way (York Bay South)	Ongoing programme to create a continuous combined walkway/ cycleway from Seaview to Eastbourne	Capital Improvements	6	\$180,000	1 July 08	1 year	Continuation of ongoing Eastern Bays walkway project	Assisting safety/improved access and mobility/ ensuring environmental sustainability



PROJECT	DESCRIPTION	CATEGORY	PRIORITY (IMPROVEMENTS ONLY)	TOTAL COST	START DATE	DURATION	OBJECTIVES (IMPROVEMENTS ONLY)	CONTRIBUTION TO THE PURPOSE & OBJECTIVES OF THE LAND TRANSPORT MANAGEMENT ACT
Land purchase for roads	A minor provision for the legalisation of existing formed roads	Capital Improvements	7	\$10,000	1 July 08	1 year	To legalise areas of formed road that encroach on private property	Ensuring access and mobility
Local Area Traffic Management	Consultation, design and implementation of traffic calming measures agreed by residents and approved under Council's policy	Capital Improvements	8	\$51,000	1 July 08	1 year	Targeted measures to control traffic speed and improve safety in urban areas	Assisting safety
New pedestrian crossings	Provision for the installation of new pedestrian crossings	Capital Improvements	3	\$51,000	1 July 08	1 year	To improve pedestrian safety	Assisting safety/improving mobility
State Highway 2 upgrade	Allowance for costs associated with Transit's State Highway 2 Upgrade Project	Capital Improvements	1	\$100,000	1 July 08	1 year	To complete work within Hutt City associated with Transit's State Highway 2 Dowse to Petone project	Assisting economic development/improving access and mobility
Traffic safety improvements	Provision for continuation of traffic safety and efficiency improvements at high-risk sites throughout the city	Capital Improvements	2	\$350,000	1 July 08	1 year	Targeted measures to improve safety	Assisting safety
Market Grove Carpark Access	Construction of vehicle access over stopbank off the end of Market Grove to the site of a potential \$700,000 riverbank carpark. The timing of the construction of this access in 2008/09 is critical to co-ordinate with Greater Wellington Regional Council's major stopbank raising project	Capital Improvements	9	\$180,000	1 July 08	1 year	Additional provision for parking at southern end of CBD	Assisting economic development/improving access and mobility



### Roading and Traffic – Prospective Income Statement

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>REVENUE</b>				
User charges	3,200	3,177	3,272	3,361
Operating contributions	3,001	3,127	3,220	3,308
Capital contributions	3,264	3,430	3,438	4,157
Other revenue	540	530	546	561
<b>Total revenue</b>	<b>10,005</b>	<b>10,264</b>	<b>10,476</b>	<b>11,387</b>
<b>EXPENDITURE</b>				
Employee costs	1,010	1,034	1,060	1,085
Support costs	1,873	2,064	2,082	2,149
Operating costs	9,667	9,818	10,009	10,281
Interest expense	1,891	1,985	1,713	1,446
Depreciation	6,853	7,294	7,232	7,253
<b>Total expenditure</b>	<b>21,294</b>	<b>22,195</b>	<b>22,096</b>	<b>22,214</b>
<b>DEFICIT BEFORE TAX</b>	<b>(11,289)</b>	<b>(11,931)</b>	<b>(11,620)</b>	<b>(10,827)</b>

### Roading and Traffic – Prospective Funding Requirement

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(11,289)	(11,931)	(11,620)	(10,827)
Add capital contributions	(3,264)	(3,430)	(3,438)	(4,157)
<b>Total rates funding requirement</b>	<b>(14,553)</b>	<b>(15,361)</b>	<b>(15,058)</b>	<b>(14,984)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	(6,174)	(6,398)	(6,529)	(7,462)
Capital expenditure – improving services	(1,982)	(1,124)	(962)	(1,918)
Less capital contributions	3,264	3,430	3,438	4,157
Less depreciation	6,853	7,294	7,232	7,253
<b>Total loan funding surplus</b>	<b>1,961</b>	<b>3,202</b>	<b>3,179</b>	<b>2,030</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(12,592)</b>	<b>(12,159)</b>	<b>(11,879)</b>	<b>(12,954)</b>





## ACTIVITY 8: WATER SUPPLY

### What we do

We provide a sustainable and high quality water supply to the community for domestic and commercial use. Council purchases bulk water from Greater Wellington Regional Council, which it distributes to the community through the city's water supply system. Council monitors water quality and plans for the future water supply needs of the city including maintenance and upgrades to assets to maintain required service levels.

### Why we do it

The supply of high quality, affordable water contributes to:

- The health of the community.
- Community safety through the fire-fighting capability of the water supply system.
- Industrial and residential development.

### How we measure the service provided

*Note: Survey percentages quoted exclude those who responded 'Don't Know'. Council works to meet these measures through its Council Controlled Trading Organisation – Capacity.*

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Resident satisfaction with the city water supply (measured by independent survey)	97%	94%	Equal to or above peer average	≥ 95%

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Quality of water (measured by Ministry of Health)  Note: 'B' grading means satisfactory, low level of risk. Most of Hutt City water supply is unchlorinated. Chlorination of the water supply would be required to achieve an 'A' grading.	Achieved full compliance with NZ Drinking Water Standards, and achieved a 'B' grading for the Hutt City water supply	N/A	Full compliance with NZ Drinking Water Standards  'B' grading from the Ministry of Health for the Hutt City water supply	Full compliance with NZ Drinking Water Standards  'B' grading from the Ministry of Health for the Hutt City water supply
Provide a reliable water supply service (measured by contract reports)	Achieved fewer than 0.2 unplanned supply cuts per 1,000 connections	N/A	Fewer than 4 unplanned supply cuts per 1,000 connections	Fewer than 4 unplanned supply cuts per 1,000 connections
Respond promptly to water supply disruptions (measured by contract reports)	99%	N/A	96% of requests responded to within 1 hour of notification	97% of requests responded to within 1 hour of notification



**Water Supply – Prospective Income Statement**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>REVENUE</b>				
User charges	2,355	2,295	2,362	2,426
Capital contributions	48	48	63	64
<b>Total revenue</b>	<b>2,403</b>	<b>2,343</b>	<b>2,425</b>	<b>2,490</b>
<b>EXPENDITURE</b>				
Employee costs	8	–	–	–
Support costs	296	326	328	339
Operating costs	8,975	8,987	9,549	10,120
Interest expense	653	685	592	499
Depreciation	2,558	2,615	2,563	2,544
<b>Total expenditure</b>	<b>12,490</b>	<b>12,613</b>	<b>13,032</b>	<b>13,502</b>
<b>DEFICIT BEFORE TAX</b>	<b>(10,087)</b>	<b>(10,270)</b>	<b>(10,607)</b>	<b>(11,012)</b>

**Water Supply – Prospective Funding Requirement**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(10,087)	(10,270)	(10,607)	(11,012)
Add capital contributions	(48)	(48)	(63)	(64)
<b>Total rates funding requirement</b>	<b>(10,135)</b>	<b>(10,318)</b>	<b>(10,670)</b>	<b>(11,076)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	(1,350)	(907)	(1,515)	(1,793)
Capital expenditure – improving services	(990)	(665)	–	(423)
Less capital contributions	48	48	63	64
Less depreciation	2,558	2,615	2,563	2,544
<b>Total loan funding surplus</b>	<b>266</b>	<b>1,091</b>	<b>1,111</b>	<b>392</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(9,869)</b>	<b>(9,227)</b>	<b>(9,559)</b>	<b>(10,684)</b>



## ACTIVITY 9: WASTEWATER

### What we do

Council provides a piping network which takes household and commercial effluent to the Seaview treatment plant which treats the effluent to meet public health and environmental standards. The Seaview treatment plant has been operating since November 2001 and has resulted in a significant improvement to the environment. Council undertakes maintenance and upgrades to assets to maintain required service levels.

### Why we do it

Through collecting, treating and disposing of wastewater, Council provides a service to residents and businesses, which supports development in the city, and protects the physical environment and the health of the community.

### How we measure the service provided

*Note: Survey percentages quoted exclude those who responded 'Don't Know'. Council works to meet these measures through its Council Controlled Trading Organisation – Capacity.*

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Resident satisfaction with the city wastewater service (measured by independent survey)	96%	94%	Equal to or above peer average	≥ 95%

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
No infringement notice received on resource consent compliance (measured by Greater Wellington Regional Council)	100% compliance	N/A	100% compliance	No infringement notice
Provide a reliable wastewater service (measured by contract reports)	Achieved 0.7 incidents	N/A	Fewer than 1.8 wastewater reticulation incident reports per kilometre of pipeline	Less than 1.2 wastewater incidents reported per kilometre of wastewater reticulation pipeline
Respond promptly to wastewater disruptions (measured by contract reports)	99%	N/A	96% of requests responded to within 1 hour of notification	97% of requests responded to within 1 hour of notification



**Wastewater – Prospective Income Statement**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>REVENUE</b>				
User charges	739	742	763	784
Upper Hutt City Council operating contribution	2,212	2,154	2,381	2,446
Capital contributions	315	195	201	206
<b>Total revenue</b>	<b>3,266</b>	<b>3,091</b>	<b>3,345</b>	<b>3,436</b>
<b>EXPENDITURE</b>				
Employee costs	11	–	–	–
Support costs	797	582	587	605
Operating costs	9,342	9,715	9,996	10,268
Interest expense	1,221	1,281	1,106	934
Depreciation	5,869	5,771	5,737	5,702
<b>Total expenditure</b>	<b>17,240</b>	<b>17,349</b>	<b>17,426</b>	<b>17,509</b>
<b>DEFICIT BEFORE TAX</b>	<b>(13,974)</b>	<b>(14,258)</b>	<b>(14,081)</b>	<b>(14,073)</b>

**Wastewater – Prospective Funding Requirement**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(13,974)	(14,258)	(14,081)	(14,073)
Add capital contributions	(315)	(195)	(201)	(206)
<b>Total rates funding requirement</b>	<b>(14,289)</b>	<b>(14,453)</b>	<b>(14,282)</b>	<b>(14,279)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	(3,117)	(3,314)	(3,443)	(3,928)
Capital expenditure – improving services	(3,175)	(1,689)	(412)	(883)
Less capital contributions	315	195	201	206
Less UHCC capital contribution	578	697	424	662
Less depreciation	5,869	5,771	5,737	5,702
<b>Total loan funding surplus</b>	<b>470</b>	<b>1,660</b>	<b>2,507</b>	<b>1,759</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(13,819)</b>	<b>(12,793)</b>	<b>(11,775)</b>	<b>(12,520)</b>



## ACTIVITY 10: STORMWATER

### What we do

Council provides a stormwater drainage system to manage surface water run-off from urban catchments. Council's objective is to achieve an optimum balance between the level of protection and the cost to the community. In doing this Council undertakes maintenance and upgrade to assets to maintain required service levels.

### Why we do it

Hutt City has most of its development concentrated on flat valley plains where there is potential for flooding. The effective control of stormwater is necessary to protect the health and safety of the community and to minimise property damage. The most efficient means of achieving this is through a comprehensive stormwater system.

### How we measure the service provided

*Note: Survey percentages quoted exclude those who responded 'Don't Know'. Council works to meet these measures through its Council Controlled Trading Organisation – Capacity.*

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Resident satisfaction with the city stormwater service (measured by independent survey)	80%	89%	Equal to or above peer average	≥ 80%

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Provide a reliable stormwater service (measured by contract reports)	Achieved 0.12 incidents	N/A	Fewer than 1 stormwater reticulation incident reported per kilometre of pipeline	Less than 1 stormwater incident reported per kilometre of stormwater pipeline
Monitor water quality at main recreational beaches (measured by contract reports)	Achieved Recreational Water Quality Standards	N/A	Median water quality over daylight saving period complies with Recreational Water Quality Standards	90% of sampling days when water quality meets Ministry for Environment guidelines
Respond promptly to stormwater disruptions (measured by contract reports)	99%	N/A	96% of requests responded to within 1 hour of notification	97% of requests responded to within 1 hour of notification



**Stormwater – Prospective Income Statement**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>REVENUE</b>				
User charges	–	2	–	–
Operating contributions	7	7	7	7
Capital contributions	101	101	172	177
<b>Total revenue</b>	<b>108</b>	<b>110</b>	<b>179</b>	<b>184</b>
<b>EXPENDITURE</b>				
Employee costs	14	–	–	–
Support costs	341	317	320	330
Operating costs	2,413	2,596	2,502	2,570
Interest expense	731	767	662	559
Depreciation	2,126	2,240	2,216	2,230
<b>Total expenditure</b>	<b>5,625</b>	<b>5,920</b>	<b>5,700</b>	<b>5,689</b>
<b>DEFICIT BEFORE TAX</b>	<b>(5,517)</b>	<b>(5,810)</b>	<b>(5,521)</b>	<b>(5,505)</b>

**Stormwater – Prospective Funding Requirement**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(5,517)	(5,810)	(5,521)	(5,505)
Add capital contributions	(101)	(101)	(172)	(177)
<b>Total rates funding requirement</b>	<b>(5,618)</b>	<b>(5,911)</b>	<b>(5,693)</b>	<b>(5,682)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	(448)	(488)	(566)	(608)
Capital expenditure – improving services	(4,154)	(998)	(1,243)	(3,608)
Less capital contributions	101	101	172	177
Less depreciation	2,126	2,240	2,216	2,230
<b>Total loan funding (requirement)/surplus</b>	<b>(2,375)</b>	<b>855</b>	<b>579</b>	<b>(1,809)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(7,993)</b>	<b>(5,056)</b>	<b>(5,114)</b>	<b>(7,491)</b>



## ACTIVITY 11: SOLID WASTE

### What we do

Council manages contracts for the collection of the city's refuse and recycling. It also owns and operates two landfills to provide for the disposal of residual waste. Work being undertaken on Silverstream Stage Two is to provide for maintenance of current service levels when the area currently being used at Silverstream is full.

### Why we do it

Solid waste management is necessary for the health and quality of life of the community, the local economy and the environment. Council wishes to promote recycling and waste reduction, and to provide for the disposal of the city's solid waste.

### How we measure the service provided

*Note: Survey percentages quoted exclude those who responded 'Don't Know'*

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Resident satisfaction with: <ul style="list-style-type: none"> <li>rubbish collection</li> <li>refuse disposal</li> </ul> (measured by independent survey)	93% 87%	89% 83%	Equal to or above peer average (all measures)	≥ 93% ≥ 87%
Resource consent requirements (measured by Greater Wellington Regional Council)	100% compliance	N/A	Full compliance with requirements	100% compliance



**Solid Waste – Prospective Income Statement**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>REVENUE</b>				
User charges	10,638	11,810	12,748	12,740
<b>Total revenue</b>	<b>10,638</b>	<b>11,810</b>	<b>12,748</b>	<b>12,740</b>
<b>EXPENDITURE</b>				
Employee costs	68	–	–	–
Support costs	140	116	117	121
Operating costs	5,285	6,451	6,546	6,701
Depreciation	438	769	763	794
<b>Total expenditure</b>	<b>5,931</b>	<b>7,336</b>	<b>7,426</b>	<b>7,616</b>
<b>SURPLUS BEFORE TAX</b>	<b>4,707</b>	<b>4,474</b>	<b>5,322</b>	<b>5,124</b>

**Solid Waste – Prospective Funding Requirement**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Surplus before tax	4,707	4,474	5,322	5,124
<b>Total rates funding surplus</b>	<b>4,707</b>	<b>4,474</b>	<b>5,322</b>	<b>5,124</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – improving services	(2,851)	(620)	(1,344)	(1,219)
Less depreciation	438	769	763	794
<b>Total loan funding requirement</b>	<b>(2,413)</b>	<b>149</b>	<b>(581)</b>	<b>(425)</b>
<b>TOTAL FUNDING (REQUIREMENT)/ SURPLUS</b>	<b>2,294</b>	<b>4,623</b>	<b>4,741</b>	<b>4,699</b>





## GROUP ENVIRONMENT

### Community Outcomes

Hutt City residents identified the following outcomes as being important to Hutt City's future environmental well-being:

- Having clean air, water and land.
- Continued protection and conservation of our environment.
- Efficient use and conservation of energy resources.
- A city that is safe.
- A diverse natural environment that is accessible, enjoyable and safe.
- Good information on how to be prepared for an emergency.
- A more attractive Hutt City.
- Developing the uniqueness of Hutt City including its history and culture.

### What role will Hutt City Council and other organisations play in achieving these community outcomes?

Organisation	Advocate	Funder	Service provider	Regulator	Facilitator	Monitor
Hutt City Council	✓	✓	✓	✓		✓
Greater Wellington Regional Council	✓	✓		✓	✓	✓
Environmental Groups	✓				✓	✓
Residents' Groups	✓					
Business Care	✓					
Te Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui	✓				✓	
Te Taurahere o Te Awakairangi	✓				✓	
Nga Tekau o Poneke – the Wellington Tenth's Trust	✓	✓			✓	
Department of Conservation	✓	✓				✓

### Significant Activities

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Activity 13: Emergency Management	95





## Projects

The following table identifies the capital projects Council has identified in its asset management plans to maintain and improve existing services. The estimated cost of each project has been included in the Forecast Financial Statements contained in this Annual Plan. Some project costs

include a component that is incurred to provide for anticipated future increases in demand for Council facilities as a result of growth in the city. Council's Policy on Development and Financial Contributions summarises this type of capital expenditure and how it is to be funded.

CAPITAL PROJECTS									
For the year ending 30 June	2009 \$000	2010 \$000	2011 \$000	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000
<b>12. ENVIRONMENTAL MANAGEMENT</b>									
<b>Maintenance</b>									
New Parking Handhelds	\$32					\$36			
<b>13. EMERGENCY MANAGEMENT</b>									
<b>Maintenance</b>									
Wainuiomata Bush Fire Force Vehicle			\$94		\$98				
New/Improvements									
Wainuiomata Bush Fire Force Garage			\$417						

A table outlining operating projects for the 2008/09 financial year is also printed below.

OPERATING PROJECTS	
For the year ending 30 June	2009 \$000
<b>12. ENVIRONMENTAL MANAGEMENT</b>	
District Plan Projects (Carryover)	\$235



## ACTIVITY 12: ENVIRONMENTAL MANAGEMENT

### What we do

Council develops, implements and monitors the District Plan, relevant by-laws and other environmental policies and plans for the sustainable development of Hutt City. Council's statutory resource management and building approval and inspection functions, environmental health and animal control are also included under this activity. Regular inspections are carried out to ensure compliance with legislative requirements, the District Plan, resource consent and building consent conditions as well as by-law requirements.

Inspections of business and food premises, certification, liquor licensing, pollution control, trade waste and monitoring of beaches are also undertaken to promote and protect public health and safety in Hutt City.

Noise and hazardous substances also fall under this activity.

### Why we do it

This activity is fundamental to achieving a clean, healthy, attractive and sustainable environment. There is also a legal requirement for this activity.

### How we measure the service provided

*Note: Survey percentages quoted exclude those who responded 'Don't Know'*

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Resident satisfaction with: <ul style="list-style-type: none"> <li>• animal control</li> <li>• inspection services (eg, permits, licences etc)</li> <li>• requests for service</li> </ul> (measured by independent surveys)	82%	79%	Equal to or above peer average (all measures)	≥ 82%
	78%	67%		≥ 78%
	88%	89%		≥ 88%
LIMs processed to comply with statutory requirements (measured by management reports)	92% processed within 9 working days	N/A	90% of LIMs processed within 9 working days	90% of LIMs processed within 9 working days



MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Building consent/project information and resource consents processed to comply with the Building Code and District Plan requirements respectively (measured by computer database records)	87% of building consents processed within 15 working days 85% of non-notified land use consents processed within 18 working days	N/A	80% of building consents processed within 18 working days 80% of non-notified land use consents processed within 18 working days	80% of building consents processed within 18 working days 80% of non-notified land use consents processed within 18 working days
Requests for service referred to RMA Monitoring and Enforcement Team responded to within required timeframes (measured by management and computer database reports)	New measure for 2008/09	N/A	New measure for 2008/09	80% acknowledged within 48 hours
Resource consents granted by Council are monitored in a timely manner (measured by management reports)	New measure for 2008/09	N/A	New measure for 2008/09	Monthly target of resource consents that require monitoring is set at 60

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Premises (eg. food outlets and liquor outlets) registered or licensed within 30 days of application (measured by computer database records)	97%	N/A	90%	90%
Code of compliance certificates issued within 20 working days to comply with statutory requirements in the Building Act, or notice to fix issued (measured by computer database records)	98%	N/A	100%	100%
Dog pound open 300 days per year (measured by management reports)	6 days per week except for public holidays	N/A	6 days per week except for public holidays	100%
Dog complaints are responded to within 30 minutes for dog attacks and 24 hours for other complaints (measured by management reports)	100% (indicative only)	N/A	100%	95%
Noise complaints are responded to within 30 minutes (measured by management reports)	84% (indicative figure)	N/A	100%	85%



### Environmental Management – Prospective Income Statement

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>REVENUE</b>				
User charges	3,344	3,939	4,009	4,104
Other revenue	127	137	139	143
<b>Total revenue</b>	<b>3,471</b>	<b>4,076</b>	<b>4,148</b>	<b>4,247</b>
<b>EXPENDITURE</b>				
Employee costs	3,987	4,228	4,334	4,439
Support costs	1,459	1,676	1,690	1,744
Operating costs	1,864	2,016	1,814	1,856
Depreciation	4	4	3	3
<b>Total expenditure</b>	<b>7,314</b>	<b>7,923</b>	<b>7,841</b>	<b>8,042</b>
<b>DEFICIT BEFORE TAX</b>	<b>(3,843)</b>	<b>(3,847)</b>	<b>(3,693)</b>	<b>(3,795)</b>

### Environmental Management – Prospective Funding Requirement

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(3,843)	(3,847)	(3,693)	(3,795)
<b>Total rates funding requirement</b>	<b>(3,843)</b>	<b>(3,847)</b>	<b>(3,693)</b>	<b>(3,795)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	–	(32)	–	–
Less depreciation	4	4	3	3
<b>Total loan funding surplus</b>	<b>4</b>	<b>(28)</b>	<b>3</b>	<b>3</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(3,839)</b>	<b>(3,876)</b>	<b>(3,690)</b>	<b>(3,792)</b>



## ACTIVITY 13: EMERGENCY MANAGEMENT

### What we do

Council develops, implements and monitors city-wide emergency management plans, and promotes community preparedness for emergencies. Under the 2002 Civil Defence Emergency Management Act, Council must work co-operatively with other authorities in the region to plan for and respond to hazards, risks and emergencies. Council also has plans in place for dealing with and preventing rural fires. Council maintains the in-house capacity to co-ordinate responses to civil defence and rural fire emergencies.

### Why we do it

This activity is fundamental to achieving city-wide preparedness for emergencies. There is also a legal requirement for this activity under the Forest and Rural Fires Act and the Civil Defence Emergency Management Act. The Hutt City Council works under the auspices of Reduce, Readiness, Response and Recovery.

### How we measure the service provided

*Note: Survey percentages quoted exclude those who responded 'Don't Know'*

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Percentage of households that are prepared for a Civil Defence emergency (measured by independent survey)	56%	60%	60%	60%

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Emergencies are responded to in accordance with the Wellington Region Civil Defence Emergency Management Group Plan and the Civil Defence Emergency Management Act 2002 (measured by management reports and debrief notes)	100%	N/A	100%	100%
Rural fires are responded to in accordance with the Hutt City Rural Fire Plan and the Forest and Rural Fires Act 1977 and the Forest and Rural Fires Regulations 2005 (measured by Wellington Regional Rural Fire Committee)	100%	N/A	100%	100%



### Emergency Management – Prospective Income Statement

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>REVENUE</b>				
Operating contributions	52	52	53	54
Upper Hutt City Council operating contribution	295	304	310	317
<b>Total revenue</b>	<b>347</b>	<b>356</b>	<b>363</b>	<b>371</b>
<b>EXPENDITURE</b>				
Employee costs	416	425	435	446
Support costs	269	288	290	299
Operating costs	313	314	320	328
Depreciation	21	21	19	43
<b>Total expenditure</b>	<b>1,019</b>	<b>1,047</b>	<b>1,064</b>	<b>1,116</b>
<b>DEFICIT BEFORE TAX</b>	<b>(672)</b>	<b>(691)</b>	<b>(701)</b>	<b>(745)</b>

### Emergency Management – Prospective Funding Requirement

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(672)	(691)	(701)	(745)
<b>Total rates funding requirement</b>	<b>(672)</b>	<b>(691)</b>	<b>(701)</b>	<b>(745)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	–	–	–	(94)
Capital expenditure – improving services	(85)	–	–	(417)
Less depreciation	21	21	19	43
<b>Total loan funding surplus/(requirement)</b>	<b>(64)</b>	<b>21</b>	<b>19</b>	<b>(468)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(736)</b>	<b>(671)</b>	<b>(682)</b>	<b>(1,213)</b>





## GROUP ECONOMY

### Community Outcome

Hutt City residents identified the following outcomes as being important to Hutt City's future economic well-being:

- A local economy that is attractive to both business and residents.
- Retention of business achievers and people critical for business.
- Attraction and nurturing of high quality businesses.
- Local businesses being supported and promoted.
- A skilled workforce that meets local business' needs.
- Good telecommunications systems.
- A growing number of entrepreneurial companies located in Hutt City.
- Creation of an exciting, dynamic city so entrepreneurs want to live and work here.
- Encouragement of enterprise and innovation including incentives to attract research, development and application industries.
- Making the most of the CRIs by attracting the kind of people with the entrepreneurial nous to build on these R&D outcomes.
- Attraction of tourists to Hutt City.
- A built environment that is attractive, safe and healthy.
- A more attractive city.
- Developing the uniqueness of Hutt City including its history and culture.

### What role will Hutt City Council and other organisations play in achieving these community outcomes?

Organisation	Advocate	Funder	Service provider	Regulator	Facilitator	Monitor
Hutt City Council	✓	✓			✓	✓
Grow Wellington (the Regional Economic Development Agency)	✓	✓			✓	✓
WelTec		✓	✓		✓	
Business Hutt Valley	✓		✓		✓	
New Zealand Trade and Enterprise	✓	✓			✓	
CBD+, Jackson Street Programme			✓		✓	

### Significant Activities

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## Projects

The following table identifies the capital projects Council has identified in its asset management plans to maintain and improve existing services. The estimated cost of each project has been included in the Forecast Financial Statements contained in this Annual Plan. Some project costs

include a component that is incurred to provide for anticipated future increases in demand for Council facilities as a result of growth in the city. Council's Policy on Development and Financial Contributions summarises this type of capital expenditure and how it is to be funded.

CAPITAL PROJECTS									
For the year ending 30 June	2009 \$000	2010 \$000	2011 \$000	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000
<b>14. LOCAL URBAN DESIGN</b>									
<b>Maintenance</b>									
Seaview/Gracefield Banners	\$31	\$32	\$32	\$33	\$34	\$35	\$35	\$36	\$37
<b>New/Improvements</b>									
CBD Masterplan Implementation (Includes \$370K Carryover)	\$885	\$540	\$552	\$565					
Suburban Shopping Centre Improvements (Includes \$190K Carryover)	\$396	\$210	\$215	\$220	\$225	\$230	\$235	\$241	\$247
Wingate Development Plan		\$299							



A table outlining operating projects for the 2008/09 financial year is also printed below.

OPERATING PROJECTS	
For the year ending 30 June	2009 \$000
<b>14. LOCAL URBAN DESIGN</b>	
HCC Facilities Energy Audits	\$10
Heritage Incentives	\$150
Heritage Sites & Buildings Inventory	\$130
Insulation Cost Contribution For Pre 1978 Houses	\$50
Rapid Response Anti-Graffiti Service	\$155
Sculpture Trust	\$50
Solar Water Heater Installation Consent Fee Contribution	\$10

OPERATING PROJECTS	
For the year ending 30 June	2009 \$000
<b>15. ECONOMIC DEVELOPMENT</b>	
Business Hutt Valley	\$284
Economic Development Strategy	\$150
Huttcity.com Web Hosting	\$24
International Co-operating Cities	\$52
Jackson Street Programme	\$100
Long Haul Strategy	\$62
Retail Co-ordinator	\$60



## ACTIVITY 14: LOCAL URBAN DESIGN

### What we do

Council aims to develop an urban environment that will help attract people and investment, as well as enhance the city's image. Council also recognises the role Hutt City's heritage and features play in the city's image. Council implements environmental policies and plans for the sustainable development of Hutt City, including environmental education and promotion. An annual waste minimisation programme is run to promote the concept of "reduce, reuse, recycle" to business and citizens.

### Why we do it

The public space of Hutt City is managed and developed by Council on behalf of the community. It is important that urban design and infrastructure support and provide for modern business environment requirements. The whole community can benefit from the preservation of buildings of architectural, heritage and historic value, as often the work required is of no benefit to the owner or occupier. Solid waste management is necessary for the health and quality of life of the community. Council promotes recycling and waste reduction.

### How we measure the service provided

*Note: Survey percentages quoted exclude those who responded 'Don't Know'*

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Residents feel a sense of pride in the way the city looks and feels (measured by independent survey)	86%	N/A	Equal to or above previous results	Equal to or above previous results

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Businesses feel a sense of pride in the way the city looks and feels (measured by independent survey)	76%	N/A	Equal to or above previous results	Equal to or above previous results
Resident satisfaction with:				
• litter control	86%	76%	Equal to or above peer average (all measures)	≥ 86%
• recycling	86%	91%		≥ 86%
• levels of graffiti	84%	Not available		≥ 84%
(measured by independent survey)				
Percentage of households that have used the recycling service in the last 12 months (measured by independent survey)	79%	N/A	70%	≥ 79%
All residents have access to community recycling facilities (measured by management reports)	100%	N/A	95%	100%
Tonnes of recycling per annum (measured by management reports)	7,129 tonnes (6,066 tonnes achieved in 2005/06)	N/A	Increasing	Increasing



### Local Urban Design – Prospective Income Statement

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>REVENUE</b>				
Capital contributions	7	7	14	15
<b>Total revenue</b>	<b>7</b>	<b>7</b>	<b>14</b>	<b>15</b>
<b>EXPENDITURE</b>				
Employee costs	208	111	114	117
Support costs	166	165	166	172
Operating costs	462	731	500	512
Interest expense	6	6	5	4
Depreciation	196	280	298	343
<b>Total expenditure</b>	<b>1,038</b>	<b>1,293</b>	<b>1,083</b>	<b>1,148</b>
<b>DEFICIT BEFORE TAX</b>	<b>(1,031)</b>	<b>(1,286)</b>	<b>(1,069)</b>	<b>(1,133)</b>

### Local Urban Design – Prospective Funding Requirement

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(1,031)	(1,286)	(1,069)	(1,133)
Add capital contributions	(7)	(7)	(14)	(15)
<b>Total rates funding requirement</b>	<b>(1,038)</b>	<b>(1,293)</b>	<b>(1,083)</b>	<b>(1,148)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	(30)	(31)	(32)	(32)
Capital expenditure – improving services	(890)	(1,281)	(1,049)	(767)
Less capital contributions	7	7	14	15
Less depreciation	196	280	298	343
<b>Total loan funding requirement</b>	<b>(717)</b>	<b>(1,025)</b>	<b>(769)</b>	<b>(441)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(1,755)</b>	<b>(2,318)</b>	<b>(1,852)</b>	<b>(1,589)</b>



## ACTIVITY 15: ECONOMIC DEVELOPMENT

### What we do

Council has a leading role in fostering Hutt City's growth in a number of ways. These include creating a business-friendly environment, facilitating the expansion and creation of local businesses and employment, increasing tourism and events in Hutt City, and contributing to regional growth through regional economic development.

### Why we do it

Individual businesses generally have insufficient incentives to explore opportunities that benefit Hutt City as a whole, as well as themselves. Hutt City's businesses and residents benefit from Council's support of the business sector as well as from the promotion and recognition of Hutt City as a business location and vibrant city.

### How we measure the service provided

*Note: Survey percentages quoted exclude those who responded 'Don't Know'*

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Business satisfaction with economic development programmes (measured by business survey)	85%	N/A	80%	≥ 85%
Resident satisfaction with the visitor information services and special events (measured by independent survey)	91%	N/A	80%	≥ 91%

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Economic performance of Hutt City measured in the annual Economic Development Strategy (EDS) report to Council which includes such measures as: <ul style="list-style-type: none"> <li>• number of businesses</li> <li>• number of FTEs</li> <li>• GDP</li> </ul> (measured by Business Economic Research Limited)		N/A	Improvement	Improvement

- Up 1.9%
- Up 2.0%
- Up 3.6%



### Economic Development – Prospective Income Statement

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>REVENUE</b>				
User charges	250	275	280	287
Operating contributions	180	155	157	161
Other revenue	12	12	12	13
<b>Total revenue</b>	<b>442</b>	<b>442</b>	<b>449</b>	<b>461</b>
<b>EXPENDITURE</b>				
Employee costs	484	609	624	640
Support costs	375	409	413	426
Operating costs	1,050	1,120	1,051	1,040
Interest expense	16	17	15	12
<b>Total expenditure</b>	<b>1,925</b>	<b>2,155</b>	<b>2,103</b>	<b>2,118</b>
<b>DEFICIT BEFORE TAX</b>	<b>(1,483)</b>	<b>(1,713)</b>	<b>(1,654)</b>	<b>(1,657)</b>

### Economic Development – Prospective Funding Requirement

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(1,483)	(1,713)	(1,654)	(1,657)
<b>Total rates funding requirement</b>	<b>(1,483)</b>	<b>(1,713)</b>	<b>(1,654)</b>	<b>(1,657)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	–	–	–	–
Capital expenditure – improving services	(160)	–	–	–
<b>Total loan funding requirement</b>	<b>(160)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(1,643)</b>	<b>(1,713)</b>	<b>(1,654)</b>	<b>(1,657)</b>





## GROUP ORGANISATION

### Community Outcomes

All the Community Outcomes are relevant for this group of activities, which provides management support and advice to elected members and Council officers. It also ensures that high levels of service are maintained, and that customers and staff are valued.

The role of the elected members and community representatives as part of this group is of the utmost importance. They represent the views of the community when decisions are being considered by Council.

### Significant Activities

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Activity 18: Managing Services	111

### Activity funding

The rationale for funding decisions in relation to each significant activity is provided in Council's Revenue and Financing Policy (see page 171).

### Performance measures

Under activities listed on the following pages are performance measures and targets for each activity undertaken in the group. These measures give you an understanding of how levels of service are meaningfully assessed. Council is involved in a number of public perception feedback programmes, i.e. Communitrak and Quality of Life Survey which is used in reporting these measures.

In addition, officers report monthly on progress towards Council's Key Performance Indicators (refer page 37) and other targets and measures as identified in Council's monthly management reporting and subsequent quarterly reporting. Quarterly reports are available on Hutt City Council's web site [www.huttcity.govt.nz](http://www.huttcity.govt.nz).



## Projects

The following table identifies the capital projects Council has identified in its asset management plans to maintain and improve existing services. The estimated cost of each project has been included in the Forecast Financial Statements contained in this Annual Plan. Some project costs

include a component that is incurred to provide for anticipated future increases in demand for Council facilities as a result of growth in the city. Council's Policy on Development and Financial Contributions summarises this type of capital expenditure and how it is to be funded.

CAPITAL PROJECTS									
For the year ending 30 June	2009 \$000	2010 \$000	2011 \$000	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000
<b>18. MANAGING SERVICES</b>									
<b>Maintenance</b>									
Archives Accommodation Changes				\$160					\$240
Core Financial & Regulatory System Replacement/Upgrade	\$110				\$218	\$447	\$114		
Corporate Application/Hardware Replacement (Includes \$300K Carryover)	\$460	\$204	\$167	\$181	\$218	\$346	\$960	\$807	\$899
Desktop Operating System Upgrade		\$153			\$120				\$120
Enterprise/Technical Architecture	\$50	\$20	\$21	\$21	\$22	\$22	\$23	\$23	\$24
General Office Expenditure	\$30	\$31	\$31	\$32	\$33	\$34	\$34	\$35	\$36
Internet Design (Includes \$25K Carryover)	\$145	\$20	\$52	\$75	\$55	\$78	\$57	\$82	\$60
Intranet Development	\$25	\$25	\$26	\$27	\$27	\$28	\$29	\$29	\$30
LIS Aerial Photos Renewal			\$31		\$295		\$34		\$323
Network Replacement	\$25	\$31	\$36	\$5	\$5	\$6	\$69	\$23	\$24
Other IS Projects				\$267	\$273	\$279	\$286	\$234	\$120
PC Replacement Programme	\$230	\$229	\$271	\$240	\$245	\$290	\$257	\$263	\$270
Printer Replacement Programme	\$15	\$41	\$42	\$16	\$44	\$45	\$17	\$47	\$48



<b>CAPITAL PROJECTS</b>									
<b>For the year ending 30 June</b>	<b>2009 \$000</b>	<b>2010 \$000</b>	<b>2011 \$000</b>	<b>2012 \$000</b>	<b>2013 \$000</b>	<b>2014 \$000</b>	<b>2015 \$000</b>	<b>2016 \$000</b>	<b>2017 \$000</b>
Replace/Upgrade Library System				\$533	\$109				\$599
Server Replacement, IT Storage & Disaster Recovery	\$150	\$158	\$141	\$37	\$164	\$78	\$40	\$41	\$84
Software Purchases	\$80	\$81	\$42	\$43	\$44	\$45	\$46	\$47	\$48
Telecommunications	\$10	\$10	\$203	\$59	\$11	\$11	\$11	\$12	\$12
<b>New/Improvements</b>									
Additional Network Requirements	\$10	\$10	\$10	\$11	\$11	\$11	\$11	\$12	\$12
Core Business Applications Enhancements (Includes \$65K Carryover)	\$415	\$275	\$214	\$245	\$251	\$257	\$263	\$222	\$228
Digitisation of Council Core Information (Includes \$150K Carryover)	\$1,038	\$320	\$57	\$2	\$11	\$2	\$63	\$3	\$3
Internet – Online Services (Includes \$55K Carryover)	\$115	\$61	\$63	\$64	\$65	\$67	\$69	\$59	\$60
Mobile Devices (Includes \$75K Carryover)	\$125	\$51	\$91	\$79	\$23	\$74	\$51	\$59	\$104

A table outlining operating projects for the 2008/09 financial year is also printed below.

<b>OPERATING PROJECTS</b>	
<b>For the year ending 30 June</b>	<b>2009 \$000</b>
<b>18. MANAGING SERVICES</b>	
Community Engagement Research (Carryover)	\$30
Quality Of Life Study	\$25



## ACTIVITY 16: ELECTED MEMBERS

### What we do

Elected members provide a governance role for the City, set the strategic direction of the Council including determining the activities the Council undertakes (within legal parameters) and monitor the Council's performance on behalf of the city residents and ratepayers. Community Boards and Community Committees are part of the Council's governance structure and provide local input into the Council's decision-making process.

### Why we do it

To ensure good governance and good decision-making, and to meet legal requirements.

### How we measure the service provided

*Note: Survey percentages quoted exclude those who responded 'Don't Know'*

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Resident satisfaction with performance of the Mayor and Councillors (measured by independent survey)	88%	89%	Equal to or above peer average	≥ 88%
Resident satisfaction with the way rates are spent (measured by independent survey)	81%	79%	Equal to or above peer average	≥ 81%

### Elected Members – Prospective Income Statement

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>REVENUE</b>				
<b>Total revenue</b>	–	–	–	–
<b>EXPENDITURE</b>				
Employee costs	986	943	966	990
Support costs	543	533	537	554
Operating costs	164	181	183	187
<b>Total expenditure</b>	<b>1,693</b>	<b>1,657</b>	<b>1,686</b>	<b>1,731</b>
<b>DEFICIT BEFORE TAX</b>	<b>(1,693)</b>	<b>(1,657)</b>	<b>(1,686)</b>	<b>(1,731)</b>

### Elected Members – Prospective Funding Requirement

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(1,693)	(1,657)	(1,686)	(1,731)
<b>Total rates funding requirement</b>	<b>(1,693)</b>	<b>(1,657)</b>	<b>(1,686)</b>	<b>(1,731)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(1,693)</b>	<b>(1,657)</b>	<b>(1,686)</b>	<b>(1,731)</b>



## ACTIVITY 17: ADVICE AND SUPPORT

### What we do

This activity comprises those processes that support the Council's decision-making, for example, strategic planning, policy development, and monitoring and reporting.

### Why we do it

Professional advice and support are necessary to assist Council, Community Boards and Community Committees to make informed decisions on behalf of the community.

### How we measure the service provided

*Note: Survey percentages quoted exclude those who responded 'Don't Know'*

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Councillors are satisfied or more than satisfied with the formal advice received from officers (measured by internal survey)	100%	N/A	80%	80%
Councillors are satisfied or more than satisfied with responses to requests for assistance from officers	New measure for 2008/09			80%

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Community Board and Community Committee members are satisfied or more than satisfied with the formal advice received from officers (measured by internal survey)	72.5%	N/A	80%	80%
Community Board and Community Committee members are satisfied or more than satisfied with responses to requests for assistance from officers.	New measure for 2008/09			80%



### Advice and Support – Prospective Income Statement

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>REVENUE</b>				
Operating contributions	6	(6)	–	–
Other revenue	140	–	–	146
<b>Total revenue</b>	<b>146</b>	<b>(6)</b>	<b>–</b>	<b>146</b>
<b>EXPENDITURE</b>				
Support costs	3,410	3,710	3,742	3,861
Operating costs	375	70	71	386
<b>Total expenditure</b>	<b>3,785</b>	<b>3,780</b>	<b>3,813</b>	<b>4,247</b>
<b>DEFICIT BEFORE TAX</b>	<b>(3,639)</b>	<b>(3,786)</b>	<b>(3,813)</b>	<b>(4,101)</b>

### Advice and Support – Prospective Funding Requirement

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(3,639)	(3,786)	(3,813)	(4,101)
Transfer (to)/from operating reserve	(50)	103	(54)	(55)
<b>Total rates funding requirement</b>	<b>(3,689)</b>	<b>(3,683)</b>	<b>(3,867)</b>	<b>(4,156)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(3,689)</b>	<b>(3,683)</b>	<b>(3,867)</b>	<b>(4,156)</b>



## ACTIVITY 18: MANAGING SERVICES

### What we do

Managing services incorporates the organisational support functions that help Council to provide its other activities in the most efficient and effective manner. It includes:

- Customer Services
- Corporate Planning
- Financial Services
- General Administration
- Human Resources
- Information Services
- Office of the Chief Executive (including Communications)
- Legal and Secretariat Services
- Strategic Development
- Monitoring and Reporting
- Organisational Excellence

### Why we do it

This activity contributes to all Community Outcomes by supporting all of Council's other activities.

### How we measure the service provided

*Note: Survey percentages quoted exclude those who responded 'Don't Know'*

MEASURE	ACHIEVED 2006/07	PEER AVERAGE % 2006/07	TARGET 2007/08	TARGET 2008/09
Overall satisfaction ratings of resident surveys (measured by independent survey)	87%	84%	Equal to or above peer average	≥ 87%
Satisfaction ratings in staff survey (measured by independent survey)	68.4%	Peer organisational average 66.7%	Equal to or above peer organisational average	≥ 70%
Staff turnover (measured by management reports)	12%	N/A	Less than 15%	Less than 15%
Legal and policy requirements (measured by management reports)	No significant instances of non-compliance	N/A	No significant instances of non-compliance	No significant instances of non-compliance
Work-related accidents (measured by management reports)	5 work related accidents resulted in time off work during the year	N/A	Less than 6 resulting in time off work	Less than 6 resulting in time off work



**Managing Services – Prospective Income Statement**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>REVENUE</b>				
User charges	847	997	1,015	1,039
Operating contributions	60	60	61	63
Other revenue	67	84	85	88
<b>Total revenue</b>	<b>974</b>	<b>1,141</b>	<b>1,161</b>	<b>1,190</b>
<b>EXPENDITURE</b>				
Employee costs	6,573	7,282	7,464	7,646
Operating costs	5,545	5,839	5,914	6,116
Net interest expense	–	–	–	–
Depreciation	1,374	1,396	1,273	1,350
<b>Total expenditure</b>	<b>13,492</b>	<b>14,517</b>	<b>14,651</b>	<b>15,112</b>
<b>DEFICIT BEFORE ALLOCATIONS</b>	<b>(12,518)</b>	<b>(13,376)</b>	<b>(13,490)</b>	<b>(13,922)</b>
Less costs allocated to significant activities	12,518	13,376	13,490	13,922
<b>SURPLUS BEFORE TAX</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

**Managing Services – Prospective Funding Requirement**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Surplus before tax	–	–	–	–
Transfer from loan funding	722	1,500	(3,009)	(4,335)
<b>Total rates funding surplus/(requirement)</b>	<b>722</b>	<b>1,500</b>	<b>(3,009)</b>	<b>(4,335)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	(1,530)	(1,005)	(1,003)	(1,063)
Capital expenditure – improving services	(1,056)	(2,028)	(717)	(435)
Less depreciation	1,374	1,396	1,273	1,350
Transfer to rate funding	(722)	(1,500)	3,009	4,335
<b>Total loan funding (requirement)/surplus</b>	<b>(1,934)</b>	<b>(3,138)</b>	<b>2,562</b>	<b>4,187</b>
<b>TOTAL FUNDING SURPLUS/(REQUIREMENT)</b>	<b>(1,212)</b>	<b>(1,637)</b>	<b>(447)</b>	<b>(148)</b>





# Forecast Financial Statements





## FORECAST FINANCIAL STATEMENTS

### Forecast Financial Statements 2008/09 to 2010/11

These are the Forecast Financial Statements which Council has adopted to meet the requirements of clause 12 of schedule 10 of the Local Government Act 2002.

Every three years it is a requirement of the Local Government Act 2002 to present Forecast Financial Statements that span 10 years in the Long Term Council Community Plan (LTCCP). Hutt City Council is next required to prepare an LTCCP in 2009. For each year in between, Council has the option to either update its LTCCP or present an Annual Plan. For 2008/09 Hutt City Council has decided to complete an Annual Plan. This decision was primarily made as there are no significant departures planned from Council's existing LTCCP and producing an Annual Plan is considered more prudent use of ratepayer funds.

Producing an Annual Plan requires Council to provide Financial Statements that include budget information for the year ahead as well as financial forecasts for the following two years. In this year's Annual Plan we have also decided to present projections for the proceeding six years. This provides an opportunity for ratepayers and residents to assess the appropriateness of the financial actions planned by Council. The Forecast Financial Statements outline how Council will be funded for the next nine years and how that money will be spent. It is intended to ensure proper and prudent financial management and asset management in the

long term. The information contained in the Forecast Financial Statements may not be appropriate for other purposes.

Council has Asset Management Plans for its assets. These plans have provided the basis for the development of the Forecast Financial Statements.

The Forecast Financial Statements are based on New Zealand generally accepted accounting practice and comply with New Zealand equivalents of International Financial Reporting Standards.

The Forecast Financial Statements are based on estimates of costs and revenues into the future. The degree of uncertainty surrounding these estimates increases as the Forecast Financial Statements look out further into the future. Key assumptions and risks are outlined below.

The Forecast Financial Statements include:

- An "Estimate" of the results of the current financial year based on the budget adjusted for expected variances.
- The "Budget" Council proposes adopting for the coming financial year.
- "Forecast" results for the following two years of the Annual Plan period.
- "Projections" for the remaining years based on extrapolated forecasts adjusted for asset management plan requirements.

### Comparison With Council's Forecast Financial Statements 2006-2017

These Forecast Financial Statements are similar to the 2006-2017 Forecast Financial Statements with the following exceptions:

- Projections of future operating revenues and costs, and capital expenditure, have been revised to reflect more accurate estimates, more likely project completion dates and recent Council decisions.
- The overall increase in total rates revenue for 2008/09 is higher than earlier expected. This is directly attributable to the introduction of a targeted rate to recover the full cost of Council's recycling service.
- Some capital projects have been brought forward from future years into the 2008/09 period for financial and economic reasons. These include Jackson Street Watermain upgrade and Silverstream landfill works.
- Some capital projects have been deferred beyond 2010 but remain planned for completion prior to 2015. These include some toilet upgrades and the Awamutu Stream flood protection project. The Awamutu Stream project has been delayed by one year to allow for more thorough investigation work to be completed.
- Projections of future operating revenues and costs, and capital expenditure, have been further adjusted to reflect current inflation forecasts.



- New provisions have been made for new projects. These include and are not limited to:
  - Implementing a Community Digital Access Programme in libraries
  - Additional spend on roads, water, waste and flood protection
  - Major upgrade of Korohiwa bus barns
  - Major upgrade of Hutt Recreation Ground's playing surface
  - Additional funding on cycleways
  - Additional funding for heritage incentives
  - Significant increase in the provision beyond 2015 to earthquake strengthen Council's main administration building
- The proceeds from projected asset sales have been adjusted to align with current expectations. This has been the primary reason for Council's net debt target of less than \$60 million being moved out from 30 June 2010 to 30 June 2011.

Council intends to update these Forecast Financial Statements annually.

## Significant Assumptions

The following assumptions have been adopted by Council in preparing the Forecast Financial Statements:

- Service levels are generally assumed to remain the same for the period covered by the Forecast Financial Statements. Minor service level improvements are planned in relation to certain areas of Council activity as a result of capital projects.
- Population is assumed to remain static, or change only marginally (0.1% per annum). Residential and commercial development is assumed to occur at the equivalent of 200 additional household units each year. Capital expenditure plans in some areas include an allowance for modest future capacity increases to help ensure that service standards remain sustainable.
- Provision has been made for inflation based on projections provided by Business and Economic Research Limited (BERL) for the input cost indices used by Council and the Treasury in relation to the Consumers Price Index. The annual inflation projections beyond 2009 average 2.6%.
- The average interest rate on debt is assumed to be 7.3%. This is based on the pattern of existing commitments and judgements about future trends.
- Each year the fair value of borrowing and interest rate swaps and options is assumed to equate to historical cost.
- Asset sale proceeds will be used to repay debt or fund asset purchases.
- Net debt will be below \$60 million in June 2011 and \$30 million in 2015.
- Depreciation and interest costs will be fully funded from rates and other operating revenue.
- Capital expenditure will be funded by loans, capital contributions, transfers from reserves, rate funded depreciation charges and asset sales. More detail is provided in the Funding Impact Statement.
- The five-yearly property, plant and equipment revaluations due in 2012 and 2017 will result in valuation increases in line with current trends and forecast inflation.
- The Government will continue to pay Land Transport New Zealand subsidies at current levels. The amount is determined by Council's expenditure that attracts subsidies.



## Significant Risks

Actual results achieved for each reporting period are likely to vary from the information presented, and the variations may be material. In particular, there are several significant risks that could have a material impact on whether Council is able to achieve the financial results indicated in the Forecast Financial Statements.

- Council has estimated the likely proceeds from the sale of assets. The estimates are based on notional values of Council's total reserve estate. There is a risk that the values indicated in the Statement of Prospective Movements in Net Debt will not be realised.
- Expenditure items relating to major projects have been estimated. These include timing and amounts for capital expenditure and operating costs. The outcome of tender evaluation and negotiation processes on these projects may have a material impact on the Forecast Financial Statements.
- In particular, provisions for capital expenditure on certain major projects that are being considered by Council have been included in these Forecast Financial Statements. It is not possible to reliably estimate the timing and the amount of Council's share of the related costs. Projects in this category are the proposed earthquake strengthening of Council's main Administration Building, the Cross Valley Link, roading improvements in the CBD and certain additional flood prevention works.
- The rate of inflation and interest rates may differ significantly from the assumptions used in preparing these Forecast Financial Statements. These differences could materially alter the actual results achieved in future years.

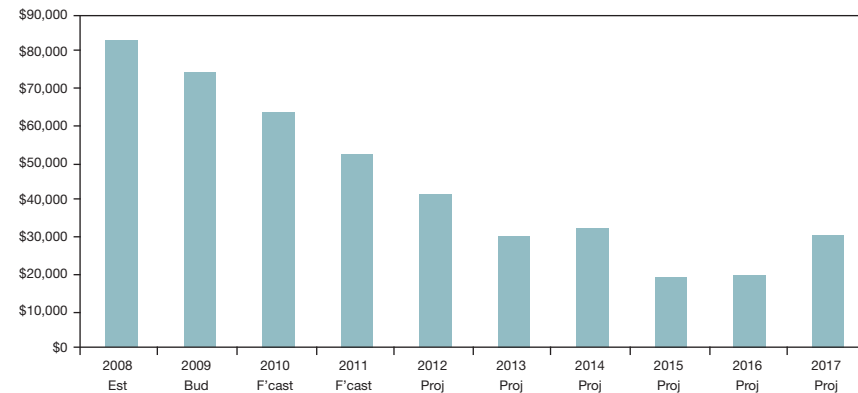
## Commitments and Contingencies

The Forecast Financial Statements provide for all the material capital and operating commitments known to Council. Prudent provisions have also been made in these Forecast Financial Statements for probable future obligations of Council.

## Council Net Debt

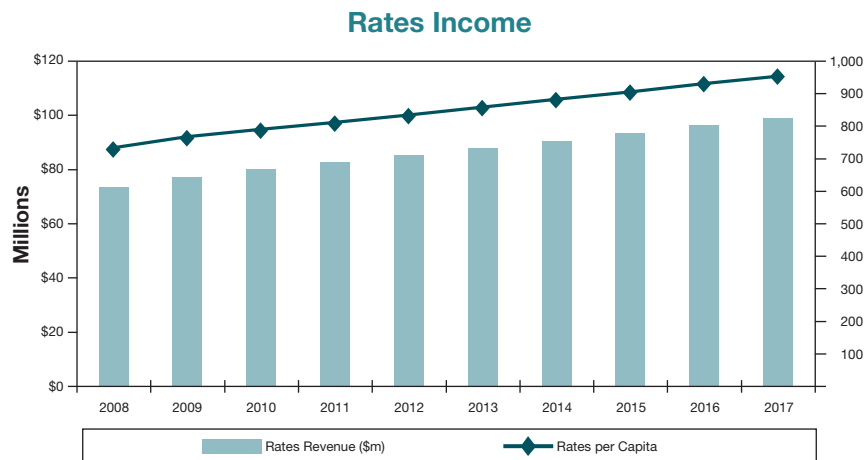
The graph shows the projected level of net debt in the Forecast Financial Statements. Council plans to achieve a significant reduction in net debt.

Net Debt (\$000's)



## Council Rates Income

The graph shows the projected level of rates income in the Forecast Financial Statements. Council plans to increase rates income by no more than 0.5% above the rate of inflation each year. Rates per capita increase in a similar manner. However, after allowing for the additional rates contributed as a result of growth in the rating base when new or existing properties are developed, this is expected to equate to a real reduction (excluding inflation) in rates paid by the average ratepayer of at least 0.4% per year.



## Authorisation

These Forecast Financial Statements were authorised for issue by Hutt City Council on 17 June 2008.

Hutt City Council is responsible for these Forecast Financial Statements, including the appropriateness of the assumptions underlying the Forecast Financial Statements and all other disclosures.



## FORECAST FINANCIAL STATEMENTS – PROSPECTIVE OPERATING COST OF ACTIVITIES

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s	Projection 2017 \$000s
<b>PEOPLE</b>										
Libraries	6,634	7,115	7,202	7,397	7,593	7,828	8,079	8,272	8,480	8,695
Museums	2,614	3,113	3,105	3,158	3,214	3,289	3,374	3,443	3,513	3,595
Aquatics and Recreation	5,886	6,689	6,746	6,914	7,070	7,270	7,486	7,639	7,798	7,969
Parks and Reserves	9,441	9,680	9,606	9,707	9,886	10,116	10,334	10,488	10,663	10,919
Community Support	2,401	2,470	2,444	2,475	2,538	2,601	2,669	2,737	2,809	2,879
Property	3,001	3,253	3,125	3,097	3,068	3,123	3,190	3,166	3,135	3,606
<b>Total operating cost of people activities</b>	<b>29,977</b>	<b>32,321</b>	<b>32,228</b>	<b>32,748</b>	<b>33,369</b>	<b>34,227</b>	<b>35,132</b>	<b>35,745</b>	<b>36,398</b>	<b>37,663</b>
<b>UTILITY SERVICES</b>										
Roading and Traffic	21,294	22,195	22,096	22,214	22,320	22,913	23,682	23,985	24,410	25,252
Water Supply	12,490	12,613	13,032	13,502	13,990	14,667	15,003	15,147	15,290	15,522
Wastewater	17,240	17,349	17,426	17,509	17,268	17,718	18,546	18,976	19,139	19,506
Stormwater	5,625	5,920	5,700	5,689	5,698	5,849	6,063	6,093	6,119	6,256
Solid Waste	5,931	7,336	7,426	7,616	7,815	8,104	8,159	8,335	8,502	8,704
<b>Total operating cost of utility services activities</b>	<b>62,580</b>	<b>65,413</b>	<b>65,680</b>	<b>66,530</b>	<b>67,091</b>	<b>69,251</b>	<b>71,453</b>	<b>72,536</b>	<b>73,460</b>	<b>75,240</b>
<b>ENVIRONMENT</b>										
Environmental Management	7,314	7,923	7,841	8,042	8,249	8,459	8,688	8,917	9,158	9,398
Emergency Management	1,019	1,047	1,064	1,116	1,164	1,196	1,228	1,251	1,278	1,305
<b>Total operating cost of environment activities</b>	<b>8,333</b>	<b>8,971</b>	<b>8,905</b>	<b>9,158</b>	<b>9,413</b>	<b>9,655</b>	<b>9,916</b>	<b>10,168</b>	<b>10,436</b>	<b>10,703</b>



## FORECAST FINANCIAL STATEMENTS – PROSPECTIVE OPERATING COST OF ACTIVITIES

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s	Projection 2017 \$000s
<b>ECONOMY</b>										
Local Urban Design	1,038	1,293	1,083	1,148	1,201	1,255	1,290	1,301	1,313	1,327
Economic Development	1,925	2,155	2,103	2,118	2,147	2,199	2,256	2,311	2,371	2,433
<b>Total operating cost of economy activities</b>	<b>2,963</b>	<b>3,448</b>	<b>3,186</b>	<b>3,266</b>	<b>3,348</b>	<b>3,454</b>	<b>3,546</b>	<b>3,612</b>	<b>3,684</b>	<b>3,760</b>
<b>ORGANISATION</b>										
Elected Members	1,693	1,657	1,686	1,731	1,778	1,960	1,876	1,926	1,980	2,032
Advice and Support	3,785	3,780	3,813	4,247	4,064	4,187	4,665	4,454	4,602	5,085
Managing Services	1,124	1,293	1,318	1,344	1,348	1,371	1,418	1,462	1,508	1,560
Consolidated cost adjustments	(2,640)	(2,579)	(2,626)	(2,688)	(2,749)	(2,814)	(2,881)	(2,948)	(3,018)	(3,090)
<b>Total operating cost of organisation activities</b>	<b>3,962</b>	<b>4,150</b>	<b>4,191</b>	<b>4,634</b>	<b>4,441</b>	<b>4,704</b>	<b>5,078</b>	<b>4,894</b>	<b>5,072</b>	<b>5,587</b>
<b>TOTAL OPERATING COST OF ACTIVITIES</b>	<b>107,815</b>	<b>114,303</b>	<b>114,190</b>	<b>116,336</b>	<b>117,662</b>	<b>121,291</b>	<b>125,125</b>	<b>126,955</b>	<b>129,050</b>	<b>132,953</b>





**FORECAST FINANCIAL STATEMENTS – PROSPECTIVE CAPITAL COST OF ACTIVITIES**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s	Projection 2017 \$000s
<b>PEOPLE</b>										
Libraries	981	1,315	845	1,042	915	871	836	855	876	897
Museums	442	174	47	45	95	45	55	68	87	97
Aquatics and Recreation	810	381	210	1,775	316	1,688	335	692	357	475
Parks and Reserves	4,051	1,667	1,362	2,821	809	829	755	774	793	826
Community Support	–	–	–	–	–	–	–	–	–	–
Property	807	2,069	1,609	1,417	1,655	1,286	1,013	892	842	24,523
<b>Total capital cost of people activities</b>	<b>7,091</b>	<b>5,606</b>	<b>4,073</b>	<b>7,100</b>	<b>3,790</b>	<b>4,719</b>	<b>2,994</b>	<b>3,281</b>	<b>2,955</b>	<b>26,818</b>
<b>UTILITY SERVICES</b>										
Roading and Traffic	8,156	7,522	7,491	9,380	9,860	9,359	10,102	10,017	28,120	23,191
Water Supply	2,340	1,572	1,515	2,216	2,609	3,205	3,040	3,495	2,905	2,503
Wastewater	6,292	5,003	3,855	4,811	4,964	6,313	26,541	5,232	5,363	6,151
Stormwater	4,602	1,486	1,809	4,216	4,453	4,413	4,266	1,074	4,077	928
Solid Waste	2,851	620	1,344	1,219	1,759	2,346	1,452	1,029	936	2,037
<b>Total capital cost of utility services activities</b>	<b>24,241</b>	<b>16,203</b>	<b>16,014</b>	<b>21,842</b>	<b>23,645</b>	<b>25,636</b>	<b>45,401</b>	<b>20,847</b>	<b>41,401</b>	<b>34,810</b>
<b>ENVIRONMENT</b>										
Environmental Management	–	32	–	–	–	–	36	–	–	–
Emergency Management	85	–	–	511	–	98	–	–	–	–
<b>Total capital cost of environment activities</b>	<b>85</b>	<b>32</b>	<b>–</b>	<b>511</b>	<b>–</b>	<b>98</b>	<b>36</b>	<b>–</b>	<b>–</b>	<b>–</b>



## FORECAST FINANCIAL STATEMENTS – PROSPECTIVE CAPITAL COST OF ACTIVITIES

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s	Projection 2017 \$000s
<b>ECONOMY</b>										
Local Urban Design	920	1,312	1,081	799	818	259	265	270	277	284
Economic Development	160	–	–	–	–	–	–	–	–	–
<b>Total capital cost of economy activities</b>	<b>1,080</b>	<b>1,312</b>	<b>1,081</b>	<b>799</b>	<b>818</b>	<b>259</b>	<b>265</b>	<b>270</b>	<b>277</b>	<b>284</b>
<b>ORGANISATION</b>										
Elected Members	–	–	–	–	–	–	–	–	–	–
Advice and Support	–	–	–	–	–	–	–	–	–	–
Managing Services	2,586	3,033	1,720	1,498	2,096	2,243	2,120	2,434	1,998	3,341
Consolidated cost adjustments	–	(2,619)	396	(819)	217	(185)	(1,665)	2,473	(1,867)	(1,788)
<b>Total capital cost of organisation activities</b>	<b>2,586</b>	<b>414</b>	<b>2,116</b>	<b>679</b>	<b>2,313</b>	<b>2,058</b>	<b>455</b>	<b>4,907</b>	<b>131</b>	<b>1,553</b>
<b>TOTAL CAPITAL COST OF ACTIVITIES</b>	<b>35,083</b>	<b>23,567</b>	<b>23,284</b>	<b>30,931</b>	<b>30,566</b>	<b>32,770</b>	<b>49,151</b>	<b>29,305</b>	<b>44,764</b>	<b>63,465</b>



## FORECAST FINANCIAL STATEMENTS – PROSPECTIVE INCOME STATEMENT

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s	Projection 2017 \$000s
<b>REVENUE</b>										
Rates funding	73,534	77,370	80,078	82,737	85,347	87,985	90,731	93,505	96,390	99,386
User charges	25,531	27,450	28,916	29,371	29,854	30,058	30,483	30,915	31,330	31,785
Operating contributions	5,482	5,853	6,189	6,356	6,402	6,564	6,731	6,905	7,073	7,252
Capital contributions	4,422	4,735	4,448	5,192	5,482	5,427	5,486	5,423	5,471	13,293
Other revenue	2,169	2,027	2,070	2,262	2,138	2,182	2,404	2,315	2,380	2,622
<b>Total revenue</b>	<b>111,138</b>	<b>117,435</b>	<b>121,701</b>	<b>125,918</b>	<b>129,223</b>	<b>132,216</b>	<b>135,835</b>	<b>139,063</b>	<b>142,644</b>	<b>154,338</b>
<b>EXPENDITURE</b>										
Employee costs	21,802	23,036	23,609	24,185	24,762	25,361	26,008	26,697	27,388	28,124
Operating costs	56,915	60,879	61,363	63,528	64,820	66,786	68,275	69,472	71,145	73,043
Interest expenditure	6,020	6,102	5,292	4,488	3,641	2,835	2,532	2,159	1,741	2,192
Depreciation	23,078	24,286	23,926	24,135	24,439	26,309	28,310	28,627	28,776	29,594
<b>Total expenditure</b>	<b>107,815</b>	<b>114,303</b>	<b>114,190</b>	<b>116,336</b>	<b>117,662</b>	<b>121,291</b>	<b>125,125</b>	<b>126,955</b>	<b>129,050</b>	<b>132,953</b>
<b>OPERATING SURPLUS BEFORE REVALUATION GAINS AND LOSSES</b>	<b>3,323</b>	<b>3,132</b>	<b>7,511</b>	<b>9,582</b>	<b>11,561</b>	<b>10,925</b>	<b>10,710</b>	<b>12,108</b>	<b>13,594</b>	<b>21,385</b>
Gain on revaluation of financial instruments	–	–	–	–	–	–	–	–	–	–
<b>SURPLUS BEFORE TAX</b>	<b>3,323</b>	<b>3,132</b>	<b>7,511</b>	<b>9,582</b>	<b>11,561</b>	<b>10,925</b>	<b>10,710</b>	<b>12,108</b>	<b>13,594</b>	<b>21,385</b>
Tax expense	–	–	–	–	–	–	–	–	–	–
<b>SURPLUS AFTER TAX</b>	<b>3,323</b>	<b>3,132</b>	<b>7,511</b>	<b>9,582</b>	<b>11,561</b>	<b>10,925</b>	<b>10,710</b>	<b>12,108</b>	<b>13,594</b>	<b>21,385</b>



### FORECAST FINANCIAL STATEMENTS – PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s	Projection 2017 \$000s
Surplus after tax	3,323	3,132	7,511	9,582	11,561	10,925	10,710	12,108	13,594	21,385
<b>OTHER RECOGNISED REVENUES AND EXPENSES</b>										
Change in asset revaluation reserves & other movements	–	–	–	–	–	133,643	–	–	–	–
Other movements	–	–	–	–	–	–	–	–	–	–
<b>Total recognised revenue and expenses for the year</b>	<b>3,323</b>	<b>3,132</b>	<b>7,511</b>	<b>9,582</b>	<b>11,561</b>	<b>144,569</b>	<b>10,710</b>	<b>12,108</b>	<b>13,594</b>	<b>21,385</b>
<b>Equity at beginning of the year</b>	<b>966,436</b>	<b>969,759</b>	<b>972,891</b>	<b>980,401</b>	<b>989,983</b>	<b>1,001,544</b>	<b>1,146,113</b>	<b>1,156,823</b>	<b>1,168,931</b>	<b>1,182,524</b>
<b>EQUITY AT END OF THE YEAR</b>	<b>969,759</b>	<b>972,891</b>	<b>980,401</b>	<b>989,983</b>	<b>1,001,544</b>	<b>1,146,113</b>	<b>1,156,823</b>	<b>1,168,931</b>	<b>1,182,524</b>	<b>1,203,909</b>



## FORECAST FINANCIAL STATEMENTS – PROSPECTIVE BALANCE SHEET

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s	Projection 2017 \$000s
<b>EQUITY</b>										
Accumulated funds	733,056	736,291	743,747	753,274	764,947	775,814	786,465	798,693	812,225	833,545
Restricted reserves	57	57	57	57	57	57	57	57	57	57
Council created reserves	11,504	11,401	11,455	11,510	11,398	11,456	11,515	11,395	11,457	11,521
Revaluation reserves	225,142	225,142	225,142	225,142	225,142	358,785	358,785	358,785	358,785	358,785
<b>TOTAL EQUITY</b>	<b>969,759</b>	<b>972,891</b>	<b>980,401</b>	<b>989,983</b>	<b>1,001,544</b>	<b>1,146,113</b>	<b>1,156,823</b>	<b>1,168,931</b>	<b>1,182,524</b>	<b>1,203,909</b>
<i>Represented by:</i>										
<b>CURRENT ASSETS</b>										
Cash and cash equivalents	4,342	4,239	4,620	4,072	3,316	3,792	4,292	4,618	5,146	5,700
Trade and other receivables	8,070	8,070	8,215	8,409	8,603	8,804	9,014	9,224	9,442	9,668
Assets held for sale	4,312	2,006	8,809	5,505	5,615	916	934	953	972	1,006
Other assets	167	167	167	167	167	167	167	167	167	167
<b>Total current assets</b>	<b>16,891</b>	<b>14,482</b>	<b>21,811</b>	<b>18,153</b>	<b>17,701</b>	<b>13,679</b>	<b>14,407</b>	<b>14,962</b>	<b>15,727</b>	<b>16,541</b>
<b>NON-CURRENT ASSETS</b>										
Interest rate swaps and options	2,714	2,714	2,714	2,714	2,714	2,714	2,714	2,714	2,714	2,714
Property, plant and equipment	1,047,550	1,044,328	1,034,653	1,035,482	1,035,480	1,173,789	1,186,871	1,186,187	1,200,897	1,233,398
Assets under construction	413	413	413	413	413	413	413	413	413	413
Intangible assets	1,447	1,447	1,447	1,447	1,447	1,447	1,447	1,447	1,447	1,447
Investment in subsidiaries and associates	14,769	14,769	14,769	14,769	14,769	14,769	14,769	14,769	14,769	14,769
Other assets	836	836	836	836	836	836	836	836	836	836
<b>Total non-current assets</b>	<b>1,067,729</b>	<b>1,064,507</b>	<b>1,054,832</b>	<b>1,055,661</b>	<b>1,055,659</b>	<b>1,193,968</b>	<b>1,207,050</b>	<b>1,206,366</b>	<b>1,221,076</b>	<b>1,253,577</b>
<b>Total assets</b>	<b>1,084,620</b>	<b>1,078,989</b>	<b>1,076,643</b>	<b>1,073,814</b>	<b>1,073,360</b>	<b>1,207,647</b>	<b>1,221,457</b>	<b>1,221,328</b>	<b>1,236,803</b>	<b>1,270,118</b>





## FORECAST FINANCIAL STATEMENTS – PROSPECTIVE CASH FLOW STATEMENT

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s	Projection 2017 \$000s
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
<b>Cash was provided from:</b>										
Rates	73,534	77,370	80,078	82,737	85,347	87,985	90,731	93,505	96,390	99,386
User charges and other income	37,254	39,713	41,121	42,633	43,351	43,704	44,551	44,991	45,663	54,334
Interest received	150	152	157	154	131	126	143	157	173	192
Tax received	–	–	–	–	–	–	–	–	–	–
Regional Council rates	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
	<b>123,938</b>	<b>130,235</b>	<b>134,356</b>	<b>138,524</b>	<b>141,829</b>	<b>144,815</b>	<b>148,425</b>	<b>151,653</b>	<b>155,226</b>	<b>166,912</b>
<b>Cash was applied to:</b>										
Payments to suppliers and employees	77,377	83,915	84,506	88,133	90,049	91,550	93,660	95,546	97,888	100,496
Interest paid	6,020	6,102	5,292	4,488	3,641	2,835	2,532	2,159	1,741	2,192
Regional Council rates	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Net GST paid to IRD	–	–	–	–	–	–	–	–	–	–
	<b>96,397</b>	<b>103,017</b>	<b>102,798</b>	<b>105,621</b>	<b>106,690</b>	<b>107,385</b>	<b>109,192</b>	<b>110,705</b>	<b>112,629</b>	<b>115,688</b>
<b>Net cash flows from operating activities</b>	<b>27,541</b>	<b>27,218</b>	<b>31,558</b>	<b>32,903</b>	<b>35,139</b>	<b>37,430</b>	<b>39,233</b>	<b>40,948</b>	<b>42,597</b>	<b>51,224</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Cash was provided from:</b>										
Sale of property, plant and equipment	1,397	4,312	2,006	8,809	5,505	5,615	916	934	953	972
Other receipts and investments	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–
	<b>1,397</b>	<b>4,312</b>	<b>2,006</b>	<b>8,809</b>	<b>5,505</b>	<b>5,615</b>	<b>916</b>	<b>934</b>	<b>953</b>	<b>972</b>



## FORECAST FINANCIAL STATEMENTS – PROSPECTIVE CASH FLOW STATEMENT

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s	Projection 2017 \$000s
<b>Cash was applied to:</b>										
Purchase and construction of property, plant and equipment	35,083	23,567	23,284	30,931	30,566	32,770	49,151	29,305	44,764	63,465
less UHCC capital contribution	(578)	(697)	(424)	(662)	(714)	(1,079)	(7,025)	(609)	(506)	(564)
Other investments and payments	–	–	–	–	–	–	–	–	–	–
	<b>34,505</b>	<b>22,870</b>	<b>22,860</b>	<b>30,269</b>	<b>29,852</b>	<b>31,691</b>	<b>42,126</b>	<b>28,696</b>	<b>44,258</b>	<b>62,901</b>
<b>Net cash flows from investing activities</b>	<b>(33,108)</b>	<b>(18,558)</b>	<b>(20,854)</b>	<b>(21,460)</b>	<b>(24,347)</b>	<b>(26,076)</b>	<b>(41,210)</b>	<b>(27,762)</b>	<b>(43,305)</b>	<b>(61,929)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Cash was provided from:</b>										
Funds raised from borrowing	193,490	240,941	204,329	161,371	113,850	128,329	98,171	92,742	55,398	70,367
	<b>193,490</b>	<b>240,941</b>	<b>204,329</b>	<b>161,371</b>	<b>113,850</b>	<b>128,329</b>	<b>98,171</b>	<b>92,742</b>	<b>55,398</b>	<b>70,367</b>
<b>Cash was applied to:</b>										
Repayment of borrowings	188,440	249,704	214,652	173,362	125,397	139,207	95,694	105,602	54,162	59,107
	<b>188,440</b>	<b>249,704</b>	<b>214,652</b>	<b>173,362</b>	<b>125,397</b>	<b>139,207</b>	<b>95,694</b>	<b>105,602</b>	<b>54,162</b>	<b>59,107</b>
<b>Net cash flows from financing activities</b>	<b>5,050</b>	<b>(8,763)</b>	<b>(10,323)</b>	<b>(11,991)</b>	<b>(11,548)</b>	<b>(10,878)</b>	<b>2,477</b>	<b>(12,860)</b>	<b>1,236</b>	<b>11,259</b>
Net (decrease)/increase in cash	(517)	(103)	381	(548)	(756)	476	500	326	528	554
Plus cash balance at beginning of the year	4,859	4,342	4,239	4,620	4,072	3,316	3,792	4,292	4,618	5,146
<b>Cash balance at end of the year</b>	<b>4,342</b>	<b>4,239</b>	<b>4,620</b>	<b>4,072</b>	<b>3,316</b>	<b>3,792</b>	<b>4,292</b>	<b>4,618</b>	<b>5,146</b>	<b>5,700</b>





**FORECAST FINANCIAL STATEMENTS – PROSPECTIVE CASH FLOW STATEMENT**

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s	Projection 2017 \$000s
<b>Cash balance at end of the year comprises:</b>										
Cash and on call deposits	4,342	4,239	4,620	4,072	3,316	3,792	4,292	4,618	5,146	5,700
Short term deposits	-	-	-	-	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-	-	-	-	-
<b>Cash balance at end of the year</b>	<b>4,342</b>	<b>4,239</b>	<b>4,620</b>	<b>4,072</b>	<b>3,316</b>	<b>3,792</b>	<b>4,292</b>	<b>4,618</b>	<b>5,146</b>	<b>5,700</b>



## FORECAST FINANCIAL STATEMENTS – PROSPECTIVE NET DEBT POSITION

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s	Projection 2017 \$000s
<b>NET DEBT AT BEGINNING OF THE YEAR</b>										
Current borrowings	47,110	62,426	53,663	43,340	31,349	34,802	23,924	26,401	13,540	14,777
Non-current borrowings	35,266	25,000	25,000	25,000	25,000	10,000	10,000	10,000	10,000	10,000
Less cash and cash equivalents	(4,859)	(4,342)	(4,239)	(4,620)	(4,072)	(3,316)	(3,792)	(4,292)	(4,618)	(5,146)
<b>Net debt at beginning of the year</b>	<b>77,517</b>	<b>83,084</b>	<b>74,424</b>	<b>63,720</b>	<b>52,277</b>	<b>41,486</b>	<b>30,132</b>	<b>32,109</b>	<b>18,922</b>	<b>19,631</b>
<b>PLUS CAPITAL EXPENDITURE</b>										
Expenditure improving services	20,010	10,456	8,054	13,707	12,249	13,159	17,926	6,923	24,275	40,788
Expenditure maintaining services	15,073	13,111	15,230	17,224	18,317	19,611	31,225	22,382	20,489	22,677
<b>Total capital expenditure</b>	<b>35,083</b>	<b>23,567</b>	<b>23,284</b>	<b>30,931</b>	<b>30,566</b>	<b>32,770</b>	<b>49,151</b>	<b>29,305</b>	<b>44,764</b>	<b>63,465</b>
<b>LESS NON-DEBT FUNDING FOR CAPITAL EXPENDITURE</b>										
Reserve funding	1,480	–	–	–	–	–	–	–	–	–
UHCC capital contribution	578	697	424	662	714	1,079	7,025	609	506	564
Capital subsidies	4,422	4,735	4,448	5,192	5,482	5,427	5,486	5,423	5,471	13,293
Depreciation	23,078	24,286	23,926	24,135	24,439	26,309	28,310	28,627	28,776	29,594
<b>Total non-debt funding for capital expenditure</b>	<b>29,558</b>	<b>29,718</b>	<b>28,798</b>	<b>29,989</b>	<b>30,635</b>	<b>32,815</b>	<b>40,821</b>	<b>34,659</b>	<b>34,753</b>	<b>43,451</b>
<b>LESS ASSET SALE PROCEEDS</b>	<b>1,397</b>	<b>4,312</b>	<b>2,006</b>	<b>8,809</b>	<b>5,505</b>	<b>5,615</b>	<b>916</b>	<b>934</b>	<b>953</b>	<b>972</b>



## FORECAST FINANCIAL STATEMENTS – PROSPECTIVE NET DEBT POSITION

For the year ending 30 June	Estimate 2008 \$000s	Budget 2009 \$000s	Forecast 2010 \$000s	Forecast 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s	Projection 2017 \$000s
<b>LESS OTHER ITEMS</b>										
Rate funding	(722)	(1,500)	3,009	4,335	6,191	5,440	5,165	6,805	8,061	8,028
Cashflow movements	(517)	(103)	381	(548)	(756)	476	500	326	528	554
Other adjustments	(200)	(200)	(206)	(211)	(217)	(222)	(228)	(233)	(239)	(245)
<b>Total other items</b>	<b>(1,439)</b>	<b>(1,803)</b>	<b>3,184</b>	<b>3,576</b>	<b>5,218</b>	<b>5,694</b>	<b>5,437</b>	<b>6,898</b>	<b>8,350</b>	<b>8,337</b>
<b>NET DEBT AT END OF THE YEAR</b>										
Current borrowings	62,426	53,663	43,340	31,349	34,802	23,924	26,401	13,540	14,777	36,036
Non-current borrowings	25,000	25,000	25,000	25,000	10,000	10,000	10,000	10,000	10,000	–
Less cash and cash equivalents	(4,342)	(4,239)	(4,620)	(4,072)	(3,316)	(3,792)	(4,292)	(4,618)	(5,146)	(5,700)
<b>Net debt at end of the year</b>	<b>83,084</b>	<b>74,424</b>	<b>63,720</b>	<b>52,277</b>	<b>41,486</b>	<b>30,132</b>	<b>32,109</b>	<b>18,922</b>	<b>19,631</b>	<b>30,336</b>



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Introduction

Schedule 10(8) of the Local Government Act 2002 requires forecast financial statements to be included in an Annual Plan. These Forecast Financial Statements have been prepared in accordance with generally accepted accounting practice as required by section 111 of that Act. Council is designated as a public benefit entity for purposes of complying with generally accepted accounting practice.

The Forecast Financial Statements are in full compliance with New Zealand equivalents to International Financial Reporting Standards. They comply with Financial Reporting Standard No.42 – Prospective Financial Statements.

This Summary of Significant Accounting Policies supports the Forecast Financial Statements and other budgetary information included in the Annual Plan.

### Reporting Entity and Statutory Base

The Hutt City Council (referred to as “Council”) is a territorial local authority governed by the Local Government Act 2002. Council was first formed as Lower Hutt City Council on 1 November 1989 by the amalgamation of five local authorities. The name was changed to “The Hutt City Council” by a special Act of Parliament on 8 October 1991.

The activities of Council Controlled Organisations (“CCOs”) controlled by Council are included in the Forecast Financial Statements only to the extent of any dividends forecast to be paid to Council. Group prospective financial statements have not been presented as they would not differ significantly from the Forecast Financial Statements presented to Council.

### Measurement Base

These Forecast Financial Statements have been prepared using a historical cost basis, modified by the revaluation of certain assets and liabilities as identified in this Summary of Significant Accounting Policies. Accrual accounting has been used to match revenue and expenditure.

### Specific Accounting Policies

#### Revenue

Rates revenue is recognised when levied on an accrual basis.

Water billing revenue is recognised on an accrual basis. Unbilled sales, as a result of unread meters at year-end, are accrued on an average usage basis.

Subsidies from Land Transport New Zealand and grants from other government agencies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Other grants and bequests, and assets vested in Council – with or without conditions – are recognised as revenue when control over the assets is obtained.

Dividends are recognised on an accrual basis net of imputation credits.

### Construction Contracts

Profits on contracts are recognised progressively over the period of each contract. The amount recognised in the Income Statement, and the value of contract work in progress, are established by assessment of individual contracts taking into account the proportion of work completed, cost analysis and estimated final results.

Foreseeable losses on a contract are recognised immediately.

### Goods and Services Tax “GST”

These Forecast Financial Statements have been prepared exclusive of GST with the exception of accounts receivable and accounts payable, which are stated inclusive of GST. When GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.



## Taxation

Income tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided for in full using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Council and it is probable that the temporary difference will not reverse in the foreseeable future.

## Equity

Equity is the community's interest in Council as measured by total assets less total liabilities. Equity is classified into a number of reserves to enable clearer identification of the specified uses that Council makes of their accumulated surpluses. The components of equity are:

- Accumulated funds.
- Council-created reserves.
- Restricted reserves.
- Asset revaluation reserves.

Reserves represent a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Council-created reserves are established by Council. They may be altered without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of Council.

Restricted reserves are subject to specific conditions accepted as binding by Council, which may not be revised by Council without reference to the courts or third party. Transfers from these reserves may be made only for specified purposes or when certain conditions are met.

## Cash and Cash Equivalents

Cash and cash equivalents are recognised in the Balance Sheet on an amortised cost basis. However, if evidence of any impairment loss exists, the carrying value is reduced to the present value of estimated future cash flows. The amount of any resulting reduction in carrying value is recognised as an expense in the Income Statement.

## Sinking Funds

Funds have been set aside to meet future repayments of certain loans. These funds are invested with the Sinking Fund Commissioners of the City of Lower Hutt and the National Provident Fund. Interest earned on sinking funds is recognised as revenue in the Income Statement.

Sinking Funds are valued at amortised cost in the Balance Sheet. However, if evidence of any impairment loss exists, the carrying value of the investment is reduced to the present value of estimated future cash flows. The amount of any resulting reduction in carrying value is recognised as an expense in the Income Statement.

## Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently at amortised cost. An allowance is made for doubtful and uncollectable debts by establishing an offsetting provision in the Balance Sheet. Increases and decreases in the provision are recognised in the Income Statement.



## Inventories

Inventories are recognised at the lower of their cost, determined on a first-in first-out basis, and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

## Property, Plant and Equipment

Property, plant and equipment consist of:

- *Infrastructure assets.* The fixed utility systems owned by Council, including resource consents. Each asset type includes all items that are required for the network to function. For example, sewerage reticulation includes reticulation piping and sewer pump stations.
- *Operational assets.* These include land, buildings, improvements, library books, plant and equipment, and motor vehicles.
- *Restricted assets.* Parks and reserves owned by Council that cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation, or are below the thresholds of \$1,000 for information technology hardware and \$2,500 for other items, are charged to operating expenditure.

## Valuation

All items of property, plant and equipment are initially recorded and subsequently valued at historical cost except for the categories of assets listed below. The initial cost of property, plant and equipment includes the purchase consideration, or the fair value in the case of bequeathed or vested assets, and those costs that are directly attributable to bringing the

asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised. Borrowing costs are not capitalised.

- Land and buildings have been valued at fair value. Revaluations are carried out five-yearly.
- Infrastructure assets have been valued at optimised depreciated replacement cost. Revaluations are carried out five-yearly. The exceptions are:
  - wharves, which are valued at indemnity value, reflecting their minimum residual value.
  - traffic signs, which are stated at cost.
  - infrastructure land under roads, which is valued at 45% of the average land market value.
- Library literary assets are valued at depreciated replacement cost in accordance with guidelines released by the New Zealand Library Association and the National Library of New Zealand. Revaluations are carried out five-yearly.
- Vested assets are recognised within their respective asset classes at fair value. Vested assets are those assets where ownership and control is transferred to the Council from a third party (for example, infrastructure assets constructed by developers and transferred to the Council on completion of a subdivision). Fair value is determined on a basis consistent with the valuation of existing assets within the class. Vested infrastructure assets result in revenue being recognised in the Income Statement.

All revaluations are carried out by independent valuers who specialise in the asset classes listed above. The exception is library literary assets, which are valued by staff with specialist knowledge in this area.



Property, plant and equipment valuation increases and decreases are charged to the appropriate asset revaluation reserves. If the decreases would have resulted in a debit balance in the asset revaluation reserve, then this debit balance would be recognised as an expense in the Income Statement.

Any subsequent increase on revaluation that offsets the previous decrease in value in the Income Statement will be recognised first in the Income Statement up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Costs incurred in obtaining any resource consents are capitalised as part of the asset to which they relate. If a resource consent application is declined then all capitalised costs are written off.

### Assets under construction

Assets under construction are included at cost. The total cost of a project is transferred to the relevant capital class on its completion and then depreciated.

### Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the Income Statement, unless the asset is carried at a revalued amount, in which case any impairment loss is treated first as a revaluation decrease and then as a charge to the Income Statement to the extent that the impairment exceeds the amount in the revaluation reserve in respect of that asset.

### Disposal

Gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement in the period in which the transaction occurs. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to retained earnings.

### Non-current assets held for sale

Non-current assets are separately classified as held for sale where their carrying amount will be recovered through a sale transaction rather than through continuing use. A non-current asset is classified as held for sale where:

- The Group is committed to a plan to sell the asset.
- The sale is expected to qualify for recognition as a sale within one year from the date of classification or beyond one year where a delay has occurred which is caused by events beyond Council's control and there is sufficient evidence that Council remains committed to its plan to sell the asset.
- Actions required to complete the plan to sell the asset indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

A non-current asset classified as held for sale is recognised at the lower of its carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell.

A gain is recognised for any subsequent increases in fair value, less costs to sell the asset, but not in excess of any cumulative impairment losses previously recognised. Impairment losses or reversal of impairment losses are included in the Income Statement. Any gain or loss not previously recognised by the date of the sale of the asset is recognised at the date of de-recognition.

Non-current assets held for sale are not depreciated.







## Intangible Assets

Acquired intangible assets are initially recorded at cost. Intangible assets with finite lives are subsequently recorded at cost less any amortisation and impairment losses. Amortisation is charged to the Income Statement on a straight-line basis over the useful life of the asset. Typically, the estimated useful lives of these assets are as follows:

Computer Software	3 to 5 years
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Realised gains and losses arising from disposal of intangible assets are recognised in the Income Statement in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the Income Statement.

## Investments

### Investments in subsidiaries and associates

Subsidiaries are entities that are controlled by Council. Associates are entities in which the Council has significant influence, but not control, over their operating and financial policies.

Investments in subsidiaries and associates are valued at cost in Council's Balance Sheet, with investments in associates being adjusted for Council's share of post acquisition gains and losses. However, if evidence of any impairment loss exists, the carrying value of the investment is reduced to the present value of estimated future cash flows. The amount of any resulting reduction in carrying value is recognised as an expense in the Income Statement.

## Other investments

All other investments are valued at amortised cost in the Balance Sheet. However, if evidence of any impairment loss exists, the carrying value of the investment is reduced to the present value of estimated future cash flows. The amount of any resulting reduction in carrying value is recognised as an expense in the Income Statement.

## Other Assets

Other assets are recognised in the Balance Sheet on an amortised cost basis. However, if evidence of any impairment loss exists, the carrying value is reduced to the present value of estimated future cash flows. The amount of any resulting reduction in carrying value is recognised as an expense in the Income Statement.

## Borrowing

Borrowing is recognised in the Balance Sheet on a fair value basis. Valuation gains and losses are recognised in the Income Statement.

## Trade and Other Payables

These amounts represent liabilities for goods and services provided to Council prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

## Provisions and Other Liabilities

Provisions or other liabilities are recognised when Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions and other liabilities are recorded at the best estimate of the expenditure required to settle the obligations. Provisions and other liabilities to be settled beyond 12 months are recorded at their present value.



## Employee Entitlements

Provision is made in respect of Council's liability for annual leave, long service leave, and retirement gratuities. Vested leave and retirement entitlements are calculated on an actual basis, applying current rates of pay as appropriate at balance date. A provision is also made for that portion of leave and retirement allowances that has been earned but not yet vested at balance date. This provision is calculated on an actuarial basis based on the present value of earned portion of expected future entitlements.

## Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are expensed in the Income Statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Income Statement as an integral part of the total lease payment.

Finance leases transfer to Council, as lessee, substantially all the risks and rewards incident on the ownership of a leased asset. Initial recognition of a finance lease results in an asset and liability being recognised at amounts equal to the lower of the fair value of the leased property or the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The leased asset acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

## Landfill Post Closure Costs

As operator of the Silverstream and Wainuiomata landfill sites, Council has an obligation to ensure ongoing maintenance and monitoring services at these landfill sites after closure. Council also has an obligation to monitor closed landfill sites previously operated by local authorities subsequently amalgamated to form the Hutt City Council.

A site restoration and aftercare provision has been recognised as a liability in the Balance Sheet. Provision is made for the present value of closure and post-closure costs when the obligation for post-closure arises. The calculated cost is based on estimates of closure costs and future site trade waste charges and monitoring costs. The estimated length of time needed for post-closure care is Silverstream 30 years, and Wainuiomata 28 years.

The calculations assume no change in the legislative requirements or technological changes for closure and post-closure treatment. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to Council.

Amounts provided for closure and post-closure costs are capitalised to the landfill asset where they give rise to future economic benefits, or if they are incurred to enable future economic benefits to be obtained. The capitalised landfill asset is depreciated over the life of the landfill based on the capacity used.

## Financial Instruments

The Council is party to financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents, trade and other receivables, investments, sinking funds, other assets, trade and other payables, borrowing, other liabilities, financial guarantees and interest rate swaps and options. Revenue and expense arising from these financial instruments is recognised in the Income Statement. The financial instruments are recognised in the Balance Sheet in accordance with the accounting policies described in the corresponding sections of this Summary of Significant Accounting Policies or outlined below.



### Financial guarantees

Financial guarantees are not recognised in the Balance Sheet unless it becomes probable that a financial loss will be incurred as a result of a guarantee.

### Interest rate swaps and options

Council enters into interest rate swaps and options to manage interest rate risk in accordance with Council's Borrowing Management Policy. The following accounting treatments are applied:

- The net differential paid or received on interest rate swaps is recognised as a component of interest expense over the period of the swap agreement.
- Interest rate option premiums paid or received and net settlements on maturity are amortised as a component of interest expense over the period of the option cover.
- Interest rate swaps and options are stated at fair value in the Balance Sheet with valuation gains and losses recorded in the Income Statement. Council does not adopt hedge accounting.
- Trade date accounting is used to determine the timing of recognition or de-recognition of the resulting financial assets and liabilities.
- Any interest differentials paid or received, option premiums and net settlements that are unamortised at balance date are recognised in the Balance Sheet.

### Operating Statements Included in the Statement of Service Performance

The operating statements report the net cost of services for significant activities of Council. Council has derived the net cost of services for each significant activity using the cost allocation system outlined below.

Direct costs are charged directly to significant activities. Indirect costs are charged to the significant activities based on cost drivers and related activity or usage information.

Each significant activity has been charged an internal interest cost. The net interest cost incurred by Council is allocated to each significant activity based on the net book value of property, plant and equipment used by the activity.

### Cash Flow Statement

Cash means cash balances on hand, in bank accounts, demand deposits and other highly liquid investments which Council holds as part of its day-to-day cash management.

Operating activities include cash received from all income sources within Council and cash paid for the supply of goods and services. Agency transactions (the collection of regional council rates) are recognised as receipts and payments in the Cash Flow Statement given that they flow through Council's main bank account.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities include the change in equity and debt capital structure of Council.

### Changes in Accounting Policies

There are no significant changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.





# Policies





## INTRODUCTION TO POLICIES

This section contains the following policies required by the Local Government Act 2002.

### Funding Impact Statement

The Funding Impact Statement outlines all funding mechanisms Council intends to use and the level of funds produced by each. The system of differential rating is also defined in the Funding Impact Statement.

### Policy on Development and Financial Contributions

This policy describes what financial contributions Council will require from developers when their property developments impose increased demand on Council services. The policy will be formally reviewed in 2009.

### Revenue and Financing Policy

This policy identifies how Council allocates the costs of its activities against available sources of funds, including rates and user charges. The policy will be formally reviewed in 2009.

**In addition, the following policies are published in the 2006-2017 Long Term Council Community Plan and can be found on Council's website: [www.huttcity.govt.nz/publications-forms/Long-Term-Community-Plan/2007](http://www.huttcity.govt.nz/publications-forms/Long-Term-Community-Plan/2007).**

### Significance Policy

This policy is intended to guide Council when making decisions of varying importance to the community. It also lets the community know what to expect in terms of consultation.

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### Policy on Partnerships with the Private Sector

This policy outlines under what circumstances Council will enter into partnership arrangements with private businesses, what conditions will be imposed and what consultation will take place.

### Liability Management Policy

This policy explains Council's approach to managing its liabilities and the ways in which associated risks are controlled.

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### Investment Policy

This policy explains Council's approach to managing investments.

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### Policy for Remission and Postponement of Rates on Maori Freehold Land

This policy outlines Council's practice for remission and postponement of rates on Maori freehold land. There is very little land of this type in Hutt City.

### Rates Postponement Policy

This policy outlines Council's practice for the treatment of rates postponement applications.

### Rates Remission Policy

Each part of this policy deals with an area where Council may consider it appropriate to assist by providing rates relief. These specific areas include economic development, community, sporting and other organisations, penalties on unpaid rates and land protected for natural, historic or cultural conservation purposes, and affected by natural calamity.



## FUNDING IMPACT STATEMENT

### Introduction

In terms of the Local Government (Rating) Act 2002, and the Local Government Act 2002, each council is required to prepare a Funding Impact Statement disclosing the revenue and financing mechanisms it intends to use.

The information in the following sections is intended to achieve compliance with this legislation by, among other things, giving ratepayers full details of how rates are calculated.

This statement should be read in conjunction with Council's Revenue and Financing Policy, which sets out Council's policies in respect of each source of funding of operating expenses.

### Summary of Funding Mechanisms and Indication of Level of Funds to be produced by each Mechanism

The following table sets out the revenue and financing mechanisms planned to be used for the 2008/09 year, and indicates the proportion of revenue forecast to be produced by each mechanism compared to the proportions shown in the Long Term Council Community Plan.

Details of user charges and other funding sources, and the proportion applicable to each activity, are shown in more detail in the Revenue and Financing Policy (see page 171).

### FUNDING IMPACT STATEMENT

For the year ending 30 June	Estimate 2008	LTCCP Forecast 2009	Budget 2009	Policy Target
<b>FUNDING FOR OPERATING EXPENDITURE OF (\$000):</b>	<b>107,883</b>	<b>108,349</b>	<b>114,303</b>	
General rate – residential	24.40%	24.90%	25.07%	27.00%
General rate – business central	6.80%	7.00%	6.71%	} 19.90%
General rate – business suburban	11.90%	12.20%	12.97%	
General rate – business suburban JSP	1.00%	1.00%	1.11%	
General rate – business accommodation	0.40%	0.40%	0.32%	
General rate – rural	0.30%	0.30%	0.32%	0.30%
General rate – community facilities	0.10%	0.10%	0.12%	0.00%
General rate – utilities	0.90%	0.90%	0.32%	1.00%
<b>Total general rate</b>	<b>45.80%</b>	<b>46.80%</b>	<b>46.94%</b>	<b>48.20%</b>
Targeted rate – water supply	9.40%	9.60%	9.40%	10.00%
Targeted rate – wastewater	12.80%	13.50%	13.15%	12.90%
Targeted rate – private drains	0.00%	0.00%	0.03%	0.00%
Targeted rate – recycling	0.00%	0.00%	1.10%	0.00%
User charges	23.30%	24.20%	25.05%	22.30%
Operating contributions	5.40%	5.60%	5.34%	5.30%
Interest and dividends	0.10%	0.10%	0.14%	0.10%
Other revenue	1.50%	1.50%	1.71%	1.20%
(Surplus)/deficit applied to borrowing	1.70%	(1.30%)	(2.86%)	0.00%
<b>TOTAL FUNDING FOR OPERATING EXPENDITURE</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>





**FUNDING IMPACT STATEMENT**

For the year ending 30 June	Estimate 2008	LTCCP Forecast 2009	Budget 2009	Policy Target
<b>FUNDING FOR CAPITAL EXPENDITURE OF (\$000):</b>	<b>28,286</b>	<b>27,198</b>	<b>23,567</b>	
Capital subsidies	16.30%	14.00%	20.10%	} Not specified due to annual Variation
Development and financial contributions	2.10%	2.20%	0.00%	
Depreciation funding	81.60%	83.80%	76.50%	
Asset sales	15.90%	22.70%	18.30%	
Other funding	(1.10%)	1.20%	3.00%	
Operating surpluses/(deficits)	(1.70%)	1.30%	13.30%	
Borrowing/(debt repayment)	(13.10%)	(25.20%)	(31.20%)	
<b>TOTAL FUNDING FOR CAPITAL EXPENDITURE</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	

**Rates for Year**

For the 2008/09 year, and for subsequent years, it is intended that Council will set the following rates:

**A) Water Supply Rate**

A separate targeted rate will be set to meet 100% of the costs of water supply and reticulation in the city. Lump sums will not be invited in respect of this rate.

Council has set the targeted rate for water supply on the basis of the following factors:

- A charge per separately used or inhabited part of a rating unit which is connected to the water reticulation system.
- A charge of 50% of the above charge per separately used or inhabited part of a rating unit that is not connected to, but is able to be connected to, the water reticulation system.

Provided that:

- Rating units situated within 100 metres from any part of the water reticulation network are considered to be able to be connected (ie. serviceable).
- Rating units that are not connected to the system, and that are not able to be connected, will not be liable for this rate.
- The owner of a rating unit with more than one separately used or inhabited part, may opt to install a water meter to measure the total water consumed. In such a case only one charge will be made for the entire rating unit, but the owner will be liable to pay for water consumed as measured by the meter.

**B) Wastewater Rate**

A separate targeted rate will be set to meet 100% of the costs of wastewater collection, treatment and disposal within the city. Lump sums will not be invited in respect of this rate.

Council proposes to set the targeted rate for the wastewater function on the basis of the following factors:

- A charge for the first water closet or urinal connected to the wastewater system from each rating unit.
- A charge of 50% of the above charge for the second and each subsequent water closet or urinal connected to the wastewater system from each rating unit.

Provided that:

- Each household is charged for no more than one water closet, regardless of the actual number.
- No charge is made to any rating unit not connected to the wastewater system.
- In the case of urinals each 900 mm or part thereof will be treated as being equivalent to one water closet.



### C) Recycling Charge

A separate targeted rate will be set to meet 100% of the costs of the recycling collection service from residential properties. Lump sums will not be invited in respect of this rate.

The targeted rate will be set as a fixed amount per separately used or inhabited part (SUIP) of each rating unit in the Residential differential category.

### D) Jackson Street Programme Rate

A separate targeted rate, based on the capital value of each rating unit, will be set to raise revenue of \$90,000 from rating units being operated as businesses and with a frontage to Jackson Street, Petone between Hutt Road and Cuba Street. The revenue raised from this rate will be applied to meet the costs of the Jackson Street Programme, which is a community-based initiative to help reorganise and revitalise commercial activities in Jackson Street. Lump sums will not be invited in respect of this rate.

### E) Private Drains Rate

A separate targeted rate will be set to recover the cost of the work undertaken by the Council to upgrade substandard private drains situated within the boundaries of rating units. The cost of the work is to be recovered over a five-year period from the ratepayers for these rating units as a uniform rate per dollar based on the costs incurred by the Council and not otherwise paid by the ratepayer. It is estimated that in the 2008/09 year the amount to be recovered by this rate will be \$36,000. In future years further upgrading work of this nature will be undertaken and the costs may be recovered in the same way. Lump sums are invited in respect of this rate.

### F) General Rate

A general rate will be set:

- To meet the costs of Council activities, other than those detailed above.
- Based on the capital value of each rating unit in the city.
- On a differential basis, based on the use to which the land is put.

### Uniform Annual General Charge

Council does not propose to set a Uniform Annual General Charge (UAGC) for 2008/09, but in future years if a UAGC is set this will be calculated as one fixed amount per separately used or inhabited part (SUIP) of a rating unit.

### Definition of SUIP

For the purposes of the UAGC or any targeted rate set as a fixed amount per separately used or inhabited part (SUIP) of a rating unit, a SUIP is defined as:

- Any part of the rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.
- At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or actual use by persons for purposes of conducting a business.
- For the avoidance of doubt, a rating unit that has only one use (ie. it does not have separate parts or is vacant land) is treated as being one separately used or inhabited part.



## Differential Rating Details

Each rating unit is allocated to a differential rating category (based on land use) for the purpose of calculating the general rate, or any specified targeted rate based on capital value.

Set out below are the definitions used to allocate rating units to categories, together with details of the differential rating relationships between each category of rating unit for the purposes of setting and assessing the general rate. The relationships are calculated to produce, as near as is practicable, the correct proportion of general rate revenue from each group, as is indicated by Council's Revenue and Financing Policy.

For the 2008/09 rating year only the general rate has been set using these differential categories and relationships.

## Definition of Rating Categories

Category	Description
<b>Residential (RE)</b>	All rating units in the city which are: <ul style="list-style-type: none"> <li>used primarily for residential purposes,</li> <li>used or set aside for reserve or recreational purposes (other than East Harbour Regional Park), excluding properties categorised as rural.</li> </ul>
<b>Rural (RU)</b>	All rating units in the city which are: <ul style="list-style-type: none"> <li>used primarily for any purpose other than residential, commercial, industrial, recreational or reserve,</li> <li>used primarily for residential purposes, having an area in excess of 3,000 m<sup>2</sup>, but not connected to either water and sewerage reticulation,</li> <li>East Harbour Regional Park.</li> </ul>
<b>Business Accommodation (BA)</b>	All rating units in any part of the city which are used primarily for commercial accommodation.

Category	Description
<b>Business Central (BC)</b>	All rating units which are located within the Central Area Parking District and which are used primarily or predominantly for commercial and/or industrial purposes, excluding properties categorised as: <ul style="list-style-type: none"> <li>Utility Networks,</li> <li>Business Accommodation.</li> </ul>
<b>Business Suburban (BS)</b>	All rating units in any part of the city which are used primarily or predominantly for commercial and/or industrial purposes, excluding properties categorised as: <ul style="list-style-type: none"> <li>Community Facilities,</li> <li>Business Central,</li> <li>Utility Networks,</li> <li>Business Accommodation.</li> </ul>
<b>Utility Networks (UN)</b>	All rating units which comprise all or part of a utility network.
<b>Community Facilities 1 (CF1)</b>	All land in the city which is: <ul style="list-style-type: none"> <li>Non-rateable in terms of the Local Government (Rating) Act 2002,</li> <li>50% non-rateable in terms of the Local Government (Rating) Act 2002.</li> </ul>
<b>Community Facilities 2 (CF2)</b>	All rating units in the city occupied by charitable trusts and not-for-profit organisations which either: <ul style="list-style-type: none"> <li>Use the land for non-trading purposes for the benefit of the community,</li> <li>Would qualify as land which is 50% non-rateable in accordance with Part 2 of Schedule 1 of the Local Government (Rating) Act 2002 if the organisation did not have a liquor licence, but excluding any rating unit used for residential purposes.</li> </ul>
<b>Community Facilities 3 (CF3)</b>	All rating units in the city occupied by not-for-profit community groups or organisations whose primary purpose is to address the needs of adult members for entertainment or social interaction, and which engage in recreational, sporting, welfare or community services as a secondary purpose.





## POLICY ON DEVELOPMENT AND FINANCIAL CONTRIBUTIONS

### Introduction

The Long Term Council Community Plan (Community Plan) includes capital expenditure that Council expects to incur to meet the increased demand for community facilities resulting from growth in the City. The Council must make adequate and effective provision in its Community Plan to fund this planned expenditure.

In the interests of achieving financial equity between existing ratepayers and new developers, Council has decided that developers should pay the growth related capital expenditure costs of providing community facilities (network infrastructure, community infrastructure and reserves).

To achieve this equity, Council charges financial contributions as specified in its District Plan prepared under the Resource Management Act 1991 (RMA) and development contributions under the Local Government Act 2002 (LGA).

This policy provides a summary of the financial contributions specified in the District Plan. It then outlines Council's policy in relation to development contributions under the LGA. The financial contributions and development contributions are separate charges and are used to fund separate categories of expenditure by Council.

Development contributions may be required where the effect of the development is to require Council to invest in new or additional assets or assets of increased capacity.

This policy summarises and explains:

- The capital expenditure identified in the Community Plan that Council expects to incur to meet the increased demand for community facilities resulting from growth in the City.
- The capital expenditure already incurred in anticipation of growth for which a development contribution is required.

- Council's assumptions in relation to growth in Hutt City over the next ten years. Council has assumed that the residential sector will grow by 2,000 households, and that the non-residential sector will grow by 90,000 square metres of gross floor area by the end of the period 2006-2016.
- The development contributions payable on developments, how and when they are to be calculated and paid, and a summary of the methodology and the rationale used in calculating the level of contribution.

The background information supporting the Development Contributions Policy is included in the Methodology sections. Council intends to fully review and update calculations in this Policy on a three-yearly basis. The Policy is currently based on the 2006-2016 Community Plan.

### Financial Contributions in the District Plan – a Summary

A Development Contributions Policy under the LGA may be used in place of, or alongside, the RMA system of financial contributions applied via the District Plan. Council's policy is to utilise Development Contributions under this Policy and the following Financial Contributions under the District Plan where individual developments give rise to capital expenditure on a localised basis that is not budgeted for by Council and therefore not included in Council's development contributions policy.

- Financial Contributions for Reserves.
- Financial Contributions to which Rules 12.2.1.1-12.2.1.6 and 12.2.2.1 apply.

Provided that where Council has budgeted specific capital expenditure in its Community Plan (and has set a Development Contribution in relation to it under this Policy which is payable) for identical work as required under Rules 12.2.1.1-12.2.1.6 and 12.2.2.1, the financial contribution payable will be reduced by the amount of the relevant part of the development contribution attributable to that capital expenditure.



The following is a summary of Council's financial contributions under the RMA, detailed in Chapter 12 of the District Plan. Copies of the District Plan are available for inspection at the main Council Building and at public libraries.

### Reserve Contributions – Subdivision of Land

There is a long history of requiring subdividers of land to provide land or money for the purpose of providing public open space as reserves. Reserves are generally required as part of the subdivision process as they provide open space and recreation facilities and opportunities necessary to cater for additional demand generated and also to protect and enhance amenity values. As communities continue to grow in size and population there is a need to provide recreation and open space to meet their needs and requirements.

As part of its section 32 requirements under the RMA, a number of options were evaluated by Council and, after considerable consultation with the public, developers and other special interest groups, it was considered that reserve contributions should be set at a maximum of 7.5% of the value of each additional allotment. It was recognised that the maximum reserve contribution is not appropriate in all cases and this can be adjusted taking into account criteria specified in Rule 12.2.1.7(b).

### Reserve Contributions – Development of Land

The District Plan also recognises that the development of land for business/commercial purposes can increase the number of people employed at a particular location and consequently there may be an increase in demand for open space and recreation areas.

After considerable consultation with the public, property owners, developers and other special interest groups, and after evaluating various options, it was considered by Council that where commercial or industrial development will result in an increase or intensification of use of land,

a reserve contribution in the form of money equivalent to 0.5% of the value of the development in excess of \$200,000 was appropriate. It was also recognised that the maximum reserve contribution is not appropriate in every case and the maximum could be adjusted based on criteria specified in Rule 12.2.2.2(b).

### Financial Contributions – Services

In the District Plan the developer of a subdivision or development is responsible for funding all work within its boundaries relating to services directly required for the subdivision or development. This approach has been in practice for a very long period of time.

Two main methods for imposing financial contributions have been adopted in the District Plan, these being the recoupment impact fee (or sometimes called the recognised equity method) and the capital improvements programme fee.

In summary the District Plan requires financial contributions as follows:

- In subdivision or development of land the rules specify that the developer is responsible for all work within its boundaries relating to services directly required.
- The rules specify that where, as a result of subdivision or development of land, services in adjoining land which were previously adequate become inadequate, then the subdivider or developer should pay for the full and actual costs of upgrading services.
- Where subdivision or development takes place and the services in the adjoining land are already inadequate, then the rules specify that the subdivider or developer should pay a proportion of the costs of upgrading services.
- In cases where Council has upgraded services in advance of land being subdivided then the subdivider or developer should pay the full and actual costs of upgrading, taking into account the time value of money, when the land is subsequently subdivided or developed.



### Financial Contributions – Traffic Impact Fee for Retail Activities and Places of Assembly in all Residential and Rural Activity Areas

The District Plan recognises that large scale retail activities exceeding 3,000 square metres in floor area and all places of assembly in residential and rural activity areas may have adverse effects on the surrounding roading network and on pedestrian circulation. In such circumstances the District Plan requires that the developer contribute to the upgrading and modification of the surrounding roads, intersections and footpaths.

The table below shows some examples of the types of assets which would fall under each of the financial contribution and development contribution regimes.

Infrastructure Type	Local Asset (Financial Contributions)	Citywide Network (Development Contributions)
Wastewater treatment plant		√
Connection of subdivision sewer to main system	√	
Subdivision roads	√	
New roundabout for management of increased traffic caused by new shopping centre	√	
Extra city wide road resealing costs to cater for increased traffic from population growth		√
Open space reserve for subdivision	√	
Stormwater network upgrade to provide increased capacity to cater for new growth		√

Infrastructure Type	Local Asset (Financial Contributions)	Citywide Network (Development Contributions)
Increased diameter water main to allow for increased flow to service new properties created by subdivision	√	
New reservoir to provide storage capacity for growth in demand from increased population or new commercial activity		√

### Development Contributions under the LGA

Development Contributions are levied for growth related capital costs in the Community Plan, or historic investment made in anticipation of growth. Section 102 requires Council to have in its Community Plan a policy on how it will fund growth related capital expenditure. Section 106 requires that Council summarise and explain the growth related capital expenditure and state the proportion to be funded by development contributions, financial contributions or other sources. These requirements are met in the methodology section for each activity in this policy document.

The LGA s101 (3) states that Council funding must be met from appropriate sources with regard to community outcomes, the distribution of benefits across the community over time, those driving the need for the expenditure, costs and benefits and impact on future revenue requirements. Council has made the following considerations:

- Community outcomes.** Hutt City's community outcomes addressed by this policy are those environmental and quality of life objectives that are delivered by adequate funding of Council's capital programmes, balanced by outcomes of ensuring ongoing business growth and affordability for residents.



- **Distribution of benefits between the existing community and newcomers.** It is appropriate that development contributions fund the addition of capacity benefiting new households. On the other hand, the cost of maintaining or improving levels of service provided by Council infrastructure to the existing population cannot be included in capital expenditure to be funded out of development contributions, as this expenditure does not benefit developers or new households.
- **The period over which the benefits are expected to occur** in terms of current capacity, projected growth, economic efficiency and affordability. The design capacity of the infrastructure has been a principal consideration in setting fees and in some cases the capacity may provide for growth well beyond ten years.
- **The impact of the actions of developers on the city's infrastructure.** The need to install new capacity in Council-provided roading, stormwater, wastewater and water supply networks is caused by those undertaking subdivision and development in the city resulting in the creation of new household equivalent units. Accordingly it is appropriate for the costs of installing additional capacity to be passed on through development contributions payable by developers on the granting of resource or building consent.
- **Costs, benefits, transparency and accountability in funding the need for additional infrastructure resulting from growth through development contributions.** The benefits of collecting development contributions are expected to outweigh the marginal administrative costs of collection. Benefits also include greater transparency and allocative efficiency through passing on the true costs to developers.
- **Overall impact on community wellbeing.** Ensuring adequate levels, and balance, between the various sources of funding to provide appropriate infrastructure is central to promoting the social, economic, environmental and cultural wellbeing of the city. Funding the cost of providing increased capacity in Council infrastructure through development contributions rather than rates serviced debt promotes equity between existing residents and those responsible for Council incurring these additional costs.

## Development Contributions Policy

The development contributions payable for each unit of demand on granting resource consent, building consent or authorisation for a service connection are set out in the table that follows.

The unit of demand used for each activity is the Household Equivalent Unit (HEU). An HEU represents one household unit.

Residential developments will be assessed on the number of additional household units created by the development.

Non-residential developments will be assessed on the basis of additional HEUs created. The units of measure are identified in the methodology section for each activity.

### Fee Summary

	Capital Expenditure for Growth			Household Equivalent Units	Fee per Unit (\$)
	Historical (\$000)	Community Plan (\$000)	Total (\$000)		
Roading and Traffic		1,128	1,128	3,180	355
Local Urban Design		205	205	3,180	64
Water supply		272	272	2,231	122
Wastewater	4,500	603	5,103	3,994/2,231	1,397
Stormwater		1,423	1,423	2,380	598
<b>TOTAL (exclusive of GST)</b>	<b>4,500</b>	<b>3,632</b>	<b>8,132</b>		<b>2,536</b>





## General Policy

### Objective

To enable development contribution fees that ensure developers make a fair contribution to the development of infrastructure and services to maintain targeted levels of service.

### Adoption

This Policy was approved on 29 June 2006 as part of Council’s 2006 Community Plan and came into force on 1 July 2006. It applies to all resource consents, building consents and authorisations for service connections granted since that date.

Any future amendments to the Policy will most likely take place concurrently with the Community Plan process. Council intends to formally review the Policy on a three-yearly basis.

### LGA Requirements

Section 201(1) of the LGA 2002 requires the Development Contribution Policy to include, in summary form, an explanation of and justification for the way each development contribution is calculated.

In summary, each contribution has been calculated in accordance with the methodology set out in schedule 13 of the LGA 2002, by using the following seven-step process.

Step	Explanation	LGA Reference
One	<p><b>Define catchments</b></p> <ul style="list-style-type: none"> <li>• A catchment is the area served by a particular infrastructure, e.g. reservoirs, pumping stations and pipes.</li> <li>• Catchments are defined with reference to characteristics of the service, the common benefits received across the geographical area supplied and judgement involving a balance between administrative efficiency and the extent of common benefits.</li> </ul>	LGA Schedule 13 1(a)
Two	<p><b>Identify ten-year capital expenditure resulting from growth</b></p> <ul style="list-style-type: none"> <li>• Historic capital expenditure in anticipation of growth.</li> <li>• The proportion of total planned costs of capital expenditure for network and community infrastructure and reserves from the Community Plan resulting from growth.</li> <li>• Growth costs (capacity increase to cater for new entrants) can be funded in full or in part by using development contributions. This is one of three components of the total ten-year capital costs budgeted in the Community Plan, the other two components being level of service improvements and renewals. These two costs must be met from funding sources other than development contributions.</li> <li>• Justification for the level of growth capital expenditure should be supported by Financial Management funding considerations and show significant assumptions and impacts of uncertainty.</li> </ul>	<p>LGA 199(2)</p> <p>LGA 106(2)a and Schedule 13 1(a)</p> <p>LGA 106(2)(a)</p> <p>LGA 101(3)(a)</p> <p>LGA 201(1)(b)</p>



Step	Explanation	LGA Reference
Three	<p><b>Identify the percentage of growth related ten year capital expenditure to be funded by development contributions</b></p> <p>100% of the growth related capital expenditure will be funded by development contributions because:</p> <ul style="list-style-type: none"> <li>• It directly relates to the planned capital expenditure set out in the Community Plan and detailed in the Council's Asset Management Plans; and</li> <li>• The capital expenditure identified for growth can be reasonably identified.</li> </ul>	LGA 106(2)(b)
Four	<p><b>Identify the appropriate units of demand</b></p> <p>The selected unit of demand is Household Equivalent Units ("HEU") calculated as follows:</p> <ul style="list-style-type: none"> <li>• For greenfield residential development, fees per HEU will be applied uniformly for each lot regardless of size for reasons of administrative simplicity and lot size is not considered to have a material impact on demand.</li> <li>• For an infill residential development, a residential dwelling as defined in the District Plan.</li> </ul>	LGA Schedule 13(1)(b)

Step	Explanation	LGA Reference
Five	<p><b>Identify the designed capacity (in units of demand) provided for growth</b></p> <ul style="list-style-type: none"> <li>• The designed capacity may vary between different types of infrastructure. In some cases it may be considered economically prudent to provide spare growth capacity considerably beyond current ten-year expectations of growth.</li> <li>• Costs are recovered across the full designed number of HEUs. Projected growth in HEUs over the ten year period of the Community Plan will be relevant to the Council's budgeting of revenue but not to the calculation of the development contribution per HEU.</li> </ul>	LGA Schedule 13(1)(b) & (2)
Six	<p><b>Allocate the costs to each unit of demand for growth</b></p> <ul style="list-style-type: none"> <li>• The development contribution charge per HEU is calculated by dividing the total capital expenditure resulting from growth (step two) by the designed units of demand for growth (step five).</li> </ul>	LGA Schedule 13(1)(b)
Seven	<p><b>Prepare schedule of fees</b></p> <ul style="list-style-type: none"> <li>• A detailed schedule must be prepared as part of the policy that enables the development contributions to be calculated by infrastructure type and catchment.</li> <li>• The policy will be supported by the significant assumptions made to determine the development contributions payable and their impacts, contribution and conditions and criteria for remission, postponement or refund, the valuation basis for assessment of maximum reserves and catchment maps.</li> </ul>	LGA 201(2) LGA 201 (1)(a)  LGA 201(1)(b),(c) & (d)



## Significant Assumptions

Section 201(b) of the LGA 2002 requires the development contributions policy to state the significant assumptions underlying the calculations in the development contributions policy. These include growth, financial and costing assumptions below.

## Hutt City Growth Assumptions for 2006-2016

Population change and average household size in the residential sector, and non-residential (retail/commercial /industrial) expansion, influence expectations of the impact of growth on Council infrastructure.

The discussion of residential and non-residential growth expectations below shows a high level of uncertainty. Recognising the various drivers discussed below, this report assumes a further 2,000 household equivalent units ("HEU") by the end of the period 2006-2016, an average of 200 HEUs per year in the residential sector, and 90,000 square metres of additional gross floor area, an average of 9,000 square metres per year, in the non-residential sector.

## 2006 Population

Estimates of the 2006 Hutt City population were uncertain and varied between sources due to the need to make estimates on growth since the last published census results for 2001. Wellington Regional Strategy ("WRS") estimated range for the 2006 population was high 97,200, medium 95,680 and low 93,810.

Statistics NZ estimated range for the 2006 population was high 103,500, medium 101,400 and low 99,300.

## Population Growth Estimates to 2016

Estimates of population to 2016 existed in a range as follows:

- The Wellington Regional Strategy estimated range for the 2016 population was high 99,630, medium 94,720, and low 89,180.

- The Statistics NZ estimated range for the 2016 population was high 108,900, medium 102,300 and low 95,700.

## Household Formation Trends to 2016

In addition to population growth, demand on Council infrastructure is also driven by household formation. Average persons per household was 2.66 in 2006 and forecast to decline to 2.54 by 2016 (WRS). Assuming these trends, even if the population were to remain static at around 100,000, a further 1,777 households would result.

## Historic Subdivision Development Trends

Other data providing an indication of household formation is historic subdivision analysis showing 145, 190 and 335 potential new dwellings in Hutt City in each of the years 2002/03, 2003/04 and 2004/05 respectively. While these historic trends cannot be used to predict the future, they provide an indication of household formation in the current period of reasonably low growth to static population trends.

## Non-Residential Growth Expectations

Gross floor area assumptions sourced from property advisers DTZ for the development of this policy are 1,000 m<sup>2</sup> per year for commercial, 6,000 m<sup>2</sup> per year for industrial and 2,000 m<sup>2</sup> per year for retail.

## Financial and Costing Assumptions

- Average costs have been applied in calculating the growth HEUs share of total costs.
- All costs from projects in the Community Plan used in the development contributions policy are based on current estimates of infrastructure construction prices in 2006-dollar terms. The Community Plan provides further inflation adjustment of all operating and capital costs over the ten years of the plan. It is assumed that interest received on fees collected in anticipation of construction later in the Community Plan ten-year period will offset construction cost inflation. No cost of capital, including interest and compensation



of Council for taking the risk of building infrastructure in advance of demand, is included in growth cost calculations.

- Income generated from rates will be sufficient to meet the operating costs of growth related capital expenditure into the future.
- All Land Transport New Zealand subsidies will continue at present levels and that eligibility criteria will remain unchanged.
- The methods of service delivery will remain substantially unchanged.

## Substantive Policy

### Catchments

Council has taken a system-wide view in identifying the cumulative effects of new development on infrastructure. Accordingly, Council has defined the catchment for each activity for which development contributions are required as being the entire city.

### Requirement for Development Contributions

Development contributions shall be required for the following activities:

- Roading and traffic,
- Water supply,
- Wastewater,
- Stormwater, and
- Local urban design.

Parks and reserves capital expenditure is recovered through the District Plan's financial contributions.

Developments where there is no practical connection to water supply or wastewater reticulation systems will not be required to pay water and wastewater fees. If the Development is subsequently connected to the water and/or wastewater reticulation systems, the applicable contribution will be payable prior to connection.

Development in non-urban areas where no stormwater systems are provided will not pay a stormwater fee.

Development contributions shall be required in money unless, at the sole discretion of an authorised officer, a piece of land is offered by the developer that would adequately suit the purposes for which the contribution is sought.

Where Council accepts, at its sole discretion, a developer's offer to provide network infrastructure or community infrastructure in lieu of paying a development contribution, the parties will need to enter into a development agreement (detailed further below).

### Assessment

The development contribution will be assessed on any:

- Resource consent granted under the Resource Management Act 1991; or
- Building consent granted under the Building Act 2004; or
- Authorisation approved for a service connection.

A reassessment may be made on each and every event described above.

An applicant may pay the development contribution within 12 months of the date of each assessment. If payment is not received in accordance with the table below Council may, at its discretion, review its assessment.



The development contribution must be paid as set out in the table below.

Subdivision resource consent	Prior to issue of section 224(c) certificate
Other resource consent	Prior to commencement of the consent
Building consent	Prior to issue of code compliance certificate
Service connection	Prior to connection

Unless the development contribution has been paid in full, the Council may:

- In the case of subdivision consent, withhold the section 224(c) certificate.
- In the case of any other resource consent, prevent the commencement of the resource consent.
- In the case of a building consent, withhold the code compliance certificate.
- In the case of a service connection, withhold the service connection.
- Register the outstanding development contribution as a charge on the subject land under the Statutory Charges Registration Act 1928.

In assessing development contributions, Council defines gross floor area (GFA) as the sum of the gross floor areas of all floors of a building or buildings measured from the exterior faces of exterior walls or from the centre-lines of walls separating two buildings.

### Residential Development

The unit of demand for each activity is the HEU. An HEU represents one household unit.

Residential developments will be assessed on the number of additional household units created by the development.

### Minor Household Units

Minor household unit means a residential household unit with a maximum gross floor area of 65 square metres that is additional to a residential household unit already established on the allotment. A minor household unit shall be assessed at 0.5 of an HEU per additional unit.

### Fee Simple Subdivision

Each allotment in a fee simple subdivision represents one HEU.

### Non-Residential Development

Where the level of demand is known for a non-residential development, the number of HEUs generated by the development will be determined by reference to the following table (which sets out the average level of demand per HEU).

### Household Equivalent Units

Activity	Units of Demand – Residential	Units of Demand – Non-Residential HEUs
Roading and Transport	10 light vehicle movements per day	Retail – 4 HEU/100m <sup>2</sup> GFA Commercial – 2 HEU/100m <sup>2</sup> GFA Industrial – 0.3 HEU/100m <sup>2</sup> GFA
Local Urban Design	10 light vehicle movements per day	Retail – 4 HEU/100m <sup>2</sup> GFA Commercial – 2 HEU/100m <sup>2</sup> GFA Industrial – 0.3 HEU/100m <sup>2</sup> GFA
Water Supply	957 litres per day	0.26 HEU/100m <sup>2</sup> GFA
Wastewater	675 litres per day	0.26 HEU/100m <sup>2</sup> GFA
Stormwater	200 m <sup>2</sup> of impervious area	0.5 HEU/100m <sup>2</sup> new impervious surface area



The above table does not apply where the level of demand is unknown, in which case the Council will require a special assessment as detailed further below. An applicant for resource consent, building consent or service connection may also elect, at their own cost, to provide a special assessment provided that any Council fees for processing the special assessment are met.

Development contributions for non-residential development will not apply to an addition of less than 10 square metres of gross floor area to an existing building.

### Credits

Credits are expressed in units of demand and may be used to reduce the number of units of demand created by a development.

Credits only apply in respect of an existing or prior use of the site, and can not be used to reduce the number of additional units of demand from the proposed development to less than zero.

The prior use of the site must have been current within the 2 years prior to the application. Credits from a prior use can not be transferred to or from another site.

Existing allotments as at 1 July 2006 are deemed to have a credit of one HEU.

In all other cases, the credits will be calculated based on the methodology in this policy.

### Remissions, Reviews and Postponement

At the request of an applicant, the development contributions required on a development may be considered for remission at Council's discretion on a case by case basis.

Any such request shall be made in writing by the applicant within 15 working days after Council has advised the applicant in writing of the amount of development contribution required on the development. The application must be made before any development contribution is paid, as the Council will not consider a retrospective application for remission.

In undertaking the review the Council shall as soon as reasonably practicable consider the request. The Council may determine whether to hold a meeting for the purposes of the review, and if so, give the applicant at least five working days notice of the date, time and place of that meeting.

Council may, at its discretion, uphold, reduce or cancel the original amount of development contribution required on the development. The Council may delegate these responsibilities and decisions to an authorised officer.

Where Council decides to consider such a request the following matters shall be taken into account:

- The Development Contributions Policy.
- Council's financial modelling.
- Council's funding and financial policies.
- The extent to which the value and nature of the works proposed by the applicant reduces the need for works proposed by Council in its capital works programme.
- Any credits that may apply to the site.
- Whether Council determines that the development contributions are manifestly excessive in relation to the impact of the development on infrastructure.

Council will not consider any request to postpone a development contribution.



## How to Calculate your Development Contribution Residential

1. Identify the fees payable per Household Equivalent Unit (HEU).
2. Calculate how many HEUs your development will create.
3. Calculate how many (if any) HEU credits apply to your development and deduct the number from the number of HEUs in step 2 above.
4. Multiply the number of HEUs from step 3 above by the fee per HEU in step 1 and add 12.5% GST. This is the total development contribution fee payable IN ADDITION to financial contribution fees that may be payable under the District Plan.

## Non-Residential

1. Work out new gross floor area in units of 100 m<sup>2</sup> (e.g. 2000 m<sup>2</sup> = 20 units).
2. Work out new impervious surface area in units of 100 m<sup>2</sup> (e.g. 2000 m<sup>2</sup> = 20 units).
3. Go to the Household Equivalent Units table, and for each asset type except stormwater multiply the number of gross floor area units by the HEU conversion figure to give a total number of HEUs for each asset type (except stormwater).
4. Multiply the number of impervious surface units by the HEU conversion figure for stormwater to give a total number of HEUs for stormwater.

5. Go to the section on “Credits”, calculate the credit in HEUs for each asset type, and subtract from the numbers of HEUs calculated in steps 3 and 4 above.
6. Go to the Fee Summary table, and for each asset type multiply the number of HEUs by the rate per HEU to give a total contribution for each asset type.
7. Add the figures from 6 above to calculate the total development contribution payable.

## Refunds

Sections 209 and 210 of the Local Government Act 2002 apply to refunds of development contributions paid to Council, where:

- Resource consents lapse or are surrendered; or
- Building consents lapse; or
- The development or building does not proceed; or
- The Council does not spend the money on the purpose for which the development contribution was required; or
- Previous overpayment has been made (for whatever reason).

The development contribution will be refunded to the registered proprietors of the subject allotment as at the date of the refund assessment (less a fair and reasonable administration fee).

## Cross Boundary Issues

In some cases, developments may cross District Council boundaries. Where the development crosses District Council boundaries, the Council will only assess the development for that part of the development which is within Hutt City.

## Special Assessment and Development Agreements

Council reserves its discretion to require a developer to provide a ‘special assessment’ either where the level of demand is unknown or where a proposed development may have a significantly greater impact than is envisaged in the averaging implicit in Council’s development contributions model after applying methodology in this policy (including the application of any credits arising). For all special assessments, the applicant will be expected to provide supporting information and detailed calculations of their development’s units of demand on various activities and such further details as to support the credits applied for under the policy.

Where it is in the best interests of all parties, Council may enter into a development agreement with the developer. The development agreement must clearly state the departure from the standard processes and calculations, and the reasons for these differences.



## Valuations

Where land is required to be valued, the assessment of land value will be carried out by a registered valuer based on the market value of the land being developed:

- In its 'developed' state (which includes the proposed development and any other development authorised by resource or building consents);
- As assessed not more than 12 months before the contribution is paid; and
- Including GST.

## Guarantee

An applicant may request that Council accept a guarantee for development contributions in excess of \$50,000. This request will be considered at the discretion of an authorised officer.

Guarantees:

- Will only be accepted from a registered trading bank.
- Shall be for a maximum period of 24 months, subject to later extensions as may be agreed by an authorised officer.
- Will have an interest component added, at an interest rate of 2% per annum above the Reserve Bank official cash rate on the day the guarantee document is prepared. The guaranteed sum will include interest, calculated on the basis of the maximum term set out in the guarantee document.
- Shall be based on the GST inclusive amount of the contribution.

At the end of the term of the guarantee, the development contribution (together with interest) is payable immediately to Council.

If Council accepts the guarantee, all costs for the preparation of the guarantee documents will be met by the applicant.

## Goods and Services Tax

All assessments are exclusive of GST and do not constitute an invoice for the purposes of the Goods and Services Tax Act 1985.

The time of supply shall be the earlier of:

- Council issuing an invoice to the developer; or
- The payment of the development contribution in accordance with this policy (including the execution of a guarantee in accordance with this policy).

GST will be added to the invoice at the time of supply as required by the Goods and Services Tax Act 1985.

## Council Developments

Council developments are not liable to pay development contributions provided this exemption does not apply to Council-controlled Organisations.

## Transitional Provisions

The Policy will apply to all applications for resource consent, building consent or authorisations for service connections granted on or after 1 July 2006 provided that:

- all such applications were made on or after 19 December 2001.
- no development contribution under this Policy will be imposed on a building consent and/or service connection application that is lodged to give effect to an identical development that was authorised by a resource consent granted by Council before 1 July 2006.





### Methodology – Activity 1 – Libraries

No historic capital expenditure made in anticipation of growth is recognised.

Capital expenditure in the 2006 Community Plan totals \$7.768m. The capital expenditure is due to the change in needs of existing users, i.e. learning centres (internet and computer support), increased numbers of older people requiring large print material, audio facilities and more space. The majority of the capital expenditure is for computer hardware and a pilot digitisation project to preserve history and make documents more accessible. This capital expenditure is all level of service related, with no clear provision of capacity to provide for future growth and is therefore funded from sources listed in the Revenue and Financing Policy.

Historic capital expenditure					
				Total \$	Total growth \$
				0	0
Community Plan capital expenditure 2006-2016 (2006 dollar terms)					
Maintenance total \$	Maintenance growth \$	New assets total \$	New assets growth \$	Total \$	Total growth \$
7,483,000	0	285,000	0	7,768,000	0
<b>TOTAL historic and Community Plan capital expenditure for growth</b>					<b>0</b>
HEUs					0
Fee/HEU					0

### Methodology – Activity 2 – Museums

This activity covers two museums – TheNewDowse and Petone Settlers Museum.

Recent historic capital expenditure along with Community Plan capital expenditure totalling \$5,750,000 (or \$2,250,000 net of subsidies) provides for the upgrade and expansion of the Dowse Museum. This expenditure is related to improvements in the level of service for existing residents and therefore funded from other sources listed in the Revenue and Financing Policy.

The Settlers Museum is at full storage capacity, however has spare capacity in terms of visitors due to location and level of service.

Historic capital expenditure					
				Total \$	Total growth \$
				0	0
Community Plan capital expenditure 2006-2016 (2006 dollar terms)					
Maintenance total \$	Maintenance growth \$	New assets total \$	New assets growth \$	Total \$	Total growth \$
203,700	0	3,081,815		3,285,515	0
<b>TOTAL historic and Community Plan capital expenditure for growth</b>					<b>0</b>
HEUs					0
Fee/HEU					0



### Methodology – Activity 3 – Aquatics & Recreation

No historic capital expenditure made in anticipation of growth is recognised. The Community Plan provision for additional gym equipment will be recovered from user charges. The pools in Stokes Valley, Wainuiomata and Eastbourne currently have some spare capacity, however Huia and Naenae are at full capacity. The capital expenditure in the Community Plan is for increased level of service for existing residents, such as poolside shade structures and seating.

Historic capital expenditure					
				Total \$	Total growth \$
					0
Community Plan capital expenditure 2006 – 2016 (2006 dollar terms)					
Maintenance total \$	Maintenance growth \$	New assets total \$	New assets growth \$	Total \$	Total growth \$
2,987,000	0	1,100,000	0	4,087,000	0
<b>TOTAL historic and Community Plan capital expenditure for growth</b>					<b>0</b>
HEUs					0
Fee/HEU					0

### Methodology – Activity 4 – Parks, Reserves, Beaches, Sports Grounds & Cemeteries

The current collection of a 7.5% reserves contribution fee under the RMA/District Plan will continue. No Community Plan based fees are assessed.

No historic capital expenditure made in anticipation of growth is recognised. New and improved assets totalling \$3.9m are provided in the Community Plan.

Historic capital expenditure					
				Total \$	Total growth \$
					0
Community Plan capital expenditure 2006-2016 (2006 dollar terms)					
Maintenance total \$	Maintenance growth \$	New assets total \$	New assets growth \$	Total \$	Total growth \$
4,980,000	0	3,879,200		8,859,200	0
<b>TOTAL historic and Community Plan capital expenditure for growth</b>					<b>0</b>
HEUs					0
Fee/HEU					0



## Methodology – Activities 5 and 6 – Community Support and Property

### Community Support

No historic capital expenditure made in anticipation of growth is recognised and there is no capital expenditure in the 10 year Community Plan for this activity.

### Property

No historic capital expenditure made in anticipation of growth is recognised. This activity includes the buildings for Community Halls and Libraries. All capital expenditure is considered by asset managers to be level of service improvements for existing residents.

Historic capital expenditure					
				Total \$	Total growth \$
					0
Community Plan capital expenditure 2006-2016 (2006 dollar terms)					
Maintenance total \$	Maintenance growth \$	New assets total \$	New assets growth \$	Total \$	Total growth \$
5,115,750	0	1,684,380	0	6,800,130	0
<b>TOTAL historic and Community Plan capital expenditure for growth</b>					<b>0</b>
HEUs					0
Fee/HEU					0

## Methodology – Activity 7 – Roading & Traffic

No historic capital expenditure made in anticipation of growth is recognised.

When planning road projects, growth is considered especially in terms of heavy weight limits arising from the increased numbers of commercial vehicles using the roads. Roads are strengthened in anticipation of traffic growth, however this traffic growth could be from a mix of increased propensity to travel and true growth. Land Transport NZ allows a 2% compounding traffic growth mainly as a result of increased propensity to travel.

Projects discussed but not included in the 10-year plan include the Cross Valley Link, Valley Floor Connector, and the Melling Bridge. These would increase network efficiency and provide more capacity for the city-wide network however they cannot be subject to a development contribution as they are not in the Community Plan.

New, improved and some maintenance assets (growth portion of reseals) totalling \$41m after allowance for Land Transport NZ subsidies are provided for in the Community Plan. On an average cost allocation basis, 5% of the total capital expenditure is allocated to growth and 1% in the case of reseals.

### Calculation of HEUs

Each new household is assumed to generate 10 vehicle movements per day, and this is therefore the HEU for the activity.

Non-residential HEU equivalents are assessed as:

- Commercial 2 HEU per 100 square metres of gross floor area;
- Retail 4 HEU per 100 square metres of gross floor area;
- Industrial 0.3 HEU per 100 square metres of gross floor area.



New residential HEUs are assumed to total 2,000 in ten years. New non-residential HEUs are calculated as shown in the table below, using the HEU conversion rates calculated above.

	New Floor Area (m <sup>2</sup> per annum)	Total New Floor Area to 2016 (m <sup>2</sup> )	HEUs/100m <sup>2</sup>	Total HEUs
Commercial	1,000	10,000	2	200
Retail	2,000	20,000	4	180
Industrial	6,000	60,000	0.3	800
Residential				2,000
<b>Total</b>				<b>3,180</b>

Historic capital expenditure					
				Total \$	Total growth \$
					0
Community Plan capital expenditure 2006-2016 (2006 dollar terms)					
Maintenance total \$	Maintenance growth \$	New assets total \$	New assets growth \$	Total \$	Total growth \$
34,248,500	234,500	17,881,530	893,525	52,130,030	1,128,025
<b>TOTAL historic and Community Plan capital expenditure for growth</b>					<b>1,128,000</b>
HEUs					3,180
Fee/HEU					355

## Methodology – Activity 8 – Water Supply

No historic capital expenditure made in anticipation of growth is recognised.

While maintenance capital expenditure can make a marginal provision for growth (e.g. replacement of pipe with a larger capacity pipe) this is not considered to be a material expense. Capital expenditure in the improving services classification includes building new water reservoirs to increase the existing storage capacity, upgrading pipelines to improve water pressure and flows, and shutoff valves to isolate the water supply in case of an earthquake (extending the life of the asset) and is improving the level of service for existing users.

It is assumed that the new assets on average provide for the assumed 5% ten-year city growth over both residential and non-residential sectors. On an average cost allocation basis, 5% of the total capital expenditure is allocated to growth.

### Calculation of Residential HEUs

The average daily water supply to Hutt City is 38.2 million litres, or 38,200 cubic metres (m<sup>3</sup>), and wastewater flows excluding trade waste average around 27,000 m<sup>3</sup>. This suggests 70.5% of water supplied is discharged as wastewater. Given a residential HEU of 675 litres per day for wastewater (see Activity 9 – Wastewater for calculation), this implies a water HEU of 675 / .705 = 957 litres per day.

### Calculation of Non-Residential HEUs

Using the HEU of 957 litres per day, and household numbers of 34,662, total water supplied to the residential sector per day is 33,172 m<sup>3</sup>. Water supplied to the non-residential sector is therefore 5,028 m<sup>3</sup>. Dividing this flow by 957 litres suggests that there are 5,254 HEUs in the non-residential sector. Given estimated total gross floor area of 20.057 million square metres (m<sup>2</sup>), this equates to 0.26 HEU per 100 m<sup>2</sup> of gross floor area.



### Growth in HEUs

Growth of 2,000 HEUs is assumed for the residential sector during the period 2006 – 2016. New non-residential HEUs are calculated as shown in the table below, using the HEU conversion rate calculated above.

	New Floor Area (m <sup>2</sup> per annum)	Total New Floor Area to 2016 (m <sup>2</sup> )	HEUs/100m <sup>2</sup>	Total HEUs
Commercial/ Retail	3,000	30,000	0.26	77
Industrial	6,000	60,000	0.26	154
Residential				2,000
<b>Total</b>				<b>2,231</b>

### Calculation of Development Contribution for Water

Historic capital expenditure					
				Total \$	Total growth \$
					0
Community Plan capital expenditure 2006 – 2016 (2006 dollar terms)					
Maintenance total \$	Maintenance growth \$	New assets total \$	New assets growth \$	Total \$	Total growth \$
15,270,000	0	5,445,000	272,250	20,715,000	272,250
TOTAL historic and Community Plan capital expenditure for growth					272,250
HEUs					2,231
Fee / HEU					122

Developments where there is no connection to water supply reticulation systems will not be required to pay water fees. If the Development is subsequently connected to the water reticulation system, the applicable contribution will be payable prior to connection.



## Methodology – Activity 9 – Wastewater

### Historic Capital Expenditure - Wastewater Treatment Plant

LGA s199(2) enables Council to require a development contribution for capital expenditure already incurred in anticipation of development. The wastewater project completed in 2002 is the most significant historic investment of this type.

### Provision for Growth

The treatment plant was completed in 2002 at a cost of \$61 million (Source: Hutt City Annual Report 2001/2002). 70% of design capacity was allocated to Lower Hutt, and 30% allocated to Upper Hutt at the time of construction. The plant was designed and built with 10% spare capacity for growth.

Of the total capital cost, Upper Hutt paid approximately \$16 million, or 26%, leaving a net cost to Lower Hutt of \$45 million. Of the amount paid by Lower Hutt, 10% or \$4.5 million was for growth.

### Calculation of HEUs – Residential

A typical flow of wastewater per person per day in a household is 250 litres. Given an average of 2.7 people per household, this gives 675 litres per day. This figure equates to 1 HEU. Given 34,662 residential households (and, therefore, HEUs) in Hutt City, total residential flows per day = 23.4 million litres, or 23,400 m<sup>3</sup>.

### Calculation of HEUs – Non-Residential

The wastewater treatment has an average daily flow of 54,000 m<sup>3</sup> per day for both Lower Hutt and Upper Hutt. In very dry months this can drop as low as 41,000 m<sup>3</sup> per day. This suggests an infiltration of stormwater into the sewerage system of around 30% of total flows.

Average total daily flows from Hutt City are around 40,000 m<sup>3</sup>. Given 30% infiltration, actual wastewater produced is around 30,800 m<sup>3</sup>. Given that 23,400 m<sup>3</sup> is residential, this leaves 7,400 m<sup>3</sup> of non-residential flows.

The average daily flow of trade waste from Hutt City is around 3,840 m<sup>3</sup>, leaving around 3,560 m<sup>3</sup>.

Converting the non-residential flows (excluding trade waste) to HEUs, using 675 litres as the HEU for wastewater, gives 5,274 HEUs in the non-residential sector.

Given a total commercial, retail and industrial Gross Floor Area of 2.057 million m<sup>2</sup> (as estimated by DTZ), this equates to 0.26 HEUs per 100 m<sup>2</sup> of GFA.

The total design number of HEUs is therefore 34,662 + 5,274 = 39,936. Spare capacity at 10% is 3994 HEU. The cost per HEU is therefore \$4.5 million / 3994 = \$1,127.

### Community Plan Capital Expenditure

The Community Plan includes capex for new works and improvements of \$12.066 million net of subsidies. It is assumed that 5%, or \$603,357, of this capex caters for growth during the period covered by the Community Plan.

New residential HEUs are assumed to total 2,000 in ten years. New non-residential HEUs are calculated as shown in the table below, using the HEU conversion rate calculated above, and the estimated new gross floor area for each sector, as supplied by DTZ.



	New Floor Area (m <sup>2</sup> per annum)	Total New Floor Area to 2016 (m <sup>2</sup> )	HEUs/100m <sup>2</sup>	Total HEUs
Commercial/ Retail	3,000	30,000	0.26	77
Industrial	6,000	60,000	0.26	154
Residential				2,000
<b>Total</b>				<b>2,231</b>

Most capital expenditure is required to reduce overflows of dilute wastewater to streams caused by inflow and infiltration of stormwater to the sewers during heavy rainfall. While these works are primarily providing an improved level of service to existing users, design capacities are on average over time assumed to allow for growth. It is assumed that the new assets on average provide for the assumed 5% ten-year city growth over both residential and non-residential sectors totalling 2,231 HEUs. On an average cost allocation basis, 5% of the total capital expenditure is allocated to growth.

Historic capital expenditure					
				Total \$	Total growth \$
				45,000,000	4,500,000
				HEUs	3,994
				Fee/HEU	1,127
Community Plan capital expenditure 2006-2016 (2006 dollar terms)					
Maintenance total \$	Maintenance growth \$	New assets total \$	New assets growth \$	Total \$	Total growth \$
37,321,777	0	12,066,085	603,357	49,387,862	603,357
HEUs					2,231
Fee/HEU					270
<b>Total Fee/HEU</b>					<b>1,397</b>

Developments where there is no connection to the wastewater reticulation system will not be required to pay wastewater fees. If the Development is subsequently connected to the wastewater reticulation system, the applicable contribution will be payable prior to connection.



## Methodology – Activity 10 – Stormwater

No historic capital expenditure made in anticipation of growth is recognised.

The 2006-2016 Community Plan capital expenditure is required because of the change in climate and increasing strength or intensity of the storms. Recent flooding has demanded improved services and upgrades to the existing services. While these works are primarily providing an improved level of service to existing users, design capacities are on average over time assumed to allow for growth. It is assumed that the new assets on average provide for the assumed 5% ten-year city growth. On an average cost allocation basis, 5% of the total capital expenditure is allocated to growth.

### Calculation of HEUs

A figure of 200 square metres of impervious surface area has been assumed for the average residential lot. This becomes the HEU for stormwater.

The figure of 200 m<sup>2</sup> of impervious surface area has also been applied to the non-residential sector. The charge would only apply to new impervious surface area.

Commercial development over the period 2006–2016 is expected to total 10,000 m<sup>2</sup> of gross floor area. Assuming an average site coverage of 400% (i.e. a four storey development), this gives 2,500 m<sup>2</sup> of impervious surface area. For retail, at 20,000 m<sup>2</sup> of gross floor space, and an assumed site coverage of 150%, the impervious surface area would be 13,333 m<sup>2</sup>. Industrial development of 60,000 m<sup>2</sup> of gross floor space is assumed with 100% site coverage, giving 60,000 m<sup>2</sup> of impervious surface area.

This gives a total impervious surface area for non-residential developments of around 76,000 m<sup>2</sup>, or 380 HEU.

Historic capital expenditure					
				Total \$	Total growth \$
					0
Community Plan capital expenditure 2006-2016 (2006 dollar terms)					
Maintenance total \$	Maintenance growth \$	New assets total \$	New assets growth \$	Total \$	Total growth \$
4,804,000	0	28,460,000	1,423,000	33,264,000	1,423,000
<b>TOTAL historic and Community Plan capital expenditure for growth</b>					<b>1,423,000</b>
HEUs					2,380
Fee/HEU					598

Development in non-urban areas where no stormwater systems are provided will not pay a stormwater fee.

## Methodology – Activity 11 – Solid Waste, Activity 12 – Environmental Management & Activity 13 – Emergency Management

### Activity 11 – Solid Waste

Capital expenditure totalling \$18,664,000 in the 2006-2016 Community Plan along with historic expenditure is covered by User Charges.

### Activity 12 – Environmental Management

There is no capital expenditure in the 10 year Community Plan for this activity.





### Activity 13 – Emergency Management

Capital expenditure of \$435,000 in the Community Plan is for level of service improvements. Any element of growth capital expenditure is not material.

### Methodology – Activity 14 – Local Urban Design

No historic capital expenditure made in anticipation of growth is recognised.

In the 2006-2016 Community Plan there is capital expenditure of \$4.0m for the CBD Masterplan and suburban shopping centre improvements. It is assumed that these assets on average provide for the assumed 5% ten-year city growth. On an average cost allocation basis, 5% of the total capital expenditure is allocated to growth.

### HEU Calculation

New residential HEUs are assumed to total 2,000 in ten years. New non-residential HEUs are calculated on the same basis as for Activity 7 – Roading and Traffic, and total 1,180.

Historic capital expenditure					
				Total \$	Total growth \$
					0
Community Plan capital expenditure 2006-2016 (2006 dollar terms)					
Maintenance total \$	Maintenance growth \$	New assets total \$	New assets growth \$	Total \$	Total growth \$
0	0	4,100,000	205,000	4,100,000	205,000
TOTAL historic and Community Plan capital expenditure for growth					0
HEUs					3,180
Fee/HEU					64

### Methodology – Activity 15 – Economic Development

No historic capital expenditure made in anticipation of growth is recognised.

The 2006-2016 Community Plan capital expenditure totalling \$900,000 is for various projects to develop businesses, increase tourism and events in Hutt City and contribute to regional growth. The growth component is not sufficiently material to warrant a development contribution.

Historic capital expenditure					
				Total \$	Total growth \$
					0
Community Plan capital expenditure 2006-2016 (2006 dollar terms)					
Maintenance total \$	Maintenance growth \$	New assets total \$	New assets growth \$	Total \$	Total growth \$
300,000	0	600,000	0	900,000	0
TOTAL historic and Community Plan capital expenditure for growth					0
HEUs					0
Fee/HEU					0

### Methodology – Activity 16 – Elected Members & Activity 17 – Advice & Support

#### Activity 16 – Elected Members

There is no capital expenditure in the 10 year Community Plan for this activity.





## REVENUE AND FINANCING POLICY

### Introduction

Under the Local Government Act 2002 (“the Act”), Council is required to adopt a Revenue and Financing Policy using the special consultative procedure outlined in the Act. Council adopted its first Revenue and Financing Policy as part of the Long Term Council Community Plan 2004-2014, and reviewed the Policy as part of the Community Plan for 2006-2016.

This Revenue and Financing Policy contains Council’s policies in respect of funding operating and capital expenditure from available sources. It is an important policy as it determines who pays for Council’s activities.

This policy is set out under the following major headings:

- Policy statement.
- Legal requirements of the Revenue and Financing Policy.
- Council’s process for applying these legal requirements.
- Overall funding considerations.
- Individual activity analysis.

### Policy Statement

#### Funding of Operating Expenditure

Council funds operating expenditure from the following sources:

- General rates, including any Uniform Annual General Charge.
- Targeted rates for water supply, wastewater, and some specific projects.
- Fees and charges.
- Interest and dividends from investments.
- Grants and subsidies towards operating expenses (grants and subsidies towards capital expenditure are applied to the related capital expenditure only).
- Other operating revenue.

Council may choose to not fully fund operating expenditure in any particular year, if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years. An operating deficit will only be budgeted when beneficial to avoid significant fluctuations in rates, fees or charges.

Council may choose to fund from the above sources more than is necessary to meet the operating expenditure in any particular year. Council will only budget for such an operating surplus if necessary to fund an operating deficit in the immediately preceding or following years, or to repay debt. Council will have regard to forecast future debt levels when ascertaining whether it is prudent to budget for an operating surplus for debt repayment.

Council has determined the proportion of operating expenditure to be funded from each of the sources listed above, and the method for apportioning rates and other charges. The process used is as specified by the Act. The next two sections of this Revenue and Financing Policy show the Act’s requirements and how Council has interpreted them.



The following two sections contain the detailed analysis Council has undertaken to meet these requirements. The results of this work are that Council has determined that it will seek to fund its operating expenditure as follows:

General rates – residential	27.0%
General rates – business	19.9%
General rates – utilities	1.0%
General rates – rural	0.3%
Targeted rate – water supply	10.0%
Targeted rate – wastewater	12.9%
Fees and charges	22.3%
Interest income	0.1%
Operating subsidies	5.3%
Other sources	1.2%
	<b>100.0%</b>

The Act also requires Council to produce a Funding Impact Statement that provides details on the funding mechanisms to be used for each year covered by the Community Plan. The Funding Impact Statement shows how Council intends to implement the Revenue and Financing Policy each year. It also shows the amounts to be collected from each available source, including how various rates are to be applied.

### Funding of Capital Expenditure

Council funds capital expenditure from borrowing and then spreads the repayment of that borrowing over several years. This enables Council to best match charges placed on the community against the period of benefits from capital expenditure.

Borrowing is managed within the framework specified in the Liability Management Policy. While seeking to minimise interest costs and financial risks associated with borrowing is of primary importance, Council seeks to match the term of borrowings with the average life of assets when practical.

Council's overall borrowing requirement is reduced to the extent that other funds are available to finance capital expenditure. Such other funds include:

- Council reserves, including reserves comprising development contributions under the Act, and financial contributions under the Resource Management Act 1991.
- Contributions towards capital expenditure from other parties such as Land Transport NZ (in relation to certain roading projects) and Upper Hutt City Council (in relation to joint wastewater activities).
- Annual revenue collected to cover depreciation charges.
- Proceeds from the sale of assets.
- Operating surpluses.

The Forecast Financial Statements included in the Community Plan contain a Statement of Prospective Net Debt Position. This Statement provides a summary of forecast borrowing levels, identifying the impact of capital expenditure and the various other capital funding sources listed above.



## Legal Requirements of the Revenue and Financing Policy

Section 102(4)(a) of the Local Government Act 2002 requires Council to adopt a Revenue and Financing Policy. The requirements of that policy are listed in Section 103.

The relevant legislation is reproduced below:

### Section 103 Revenue and financing policy

- (1) A policy adopted under section 102(4)(a) must state –
- (a) the local authority's policies in respect of the funding of operating expenses from the sources listed in subsection (2)
  - (b) the local authority's policies in respect of the funding of capital expenditure from the sources listed in subsection (2).
- (2) The sources referred to in subsection (1) are as follows:
- (a) general rates, including –
    - (i) choice of valuation system
    - (ii) differential rating
    - (iii) uniform annual general charges;
  - (b) targeted rates;
  - (c) fees and charges;
  - (d) interest and dividends from investments;
  - (e) borrowing;
  - (f) proceeds from asset sales;
  - (g) development contributions;
  - (h) financial contributions under the Resource Management Act 1991;
  - (i) grants and subsidies;
  - (j) any other source.
- (3) A policy adopted under section 102(4)(a) must also show how the local authority has, in relation to the sources of funding identified in the policy, complied with section 101(3).

### Section 101(3)

The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:

- (a) in relation to each activity to be funded –
  - (i) the Community Outcomes to which the activity primarily contributes
  - (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals
  - (iii) the period in or over which those benefits are expected to occur
  - (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity
  - (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities
- (b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

### Section 14 Principles relating to local authorities

This section lists a set of general principles applying to all significant decisions, which includes the funding policy. In summary, the general principles of section 14 require the conduct of Council business and decision-making to be:

- Transparent and accountable.
- Efficient and effective.
- Focused on meeting Community Outcomes.
- Responsive to diverse community interests including future generations.
- Inclusive of Maori.
- Collaborative with other local authorities.
- Based on sound business practices in the case of commercial transactions.



- Demonstrative of prudent stewardship of resources.
- Based on a sustainable approach reflecting the social, economic, environmental and cultural well-being of future generations.

### Section 77 Decision-making

This section provides further guidance including the need to identify:

- The comprehensive costs and benefits of options.
- The impact of decisions on achieving outcomes.
- The impact on capacity to meet current and future generations' needs.
- Maori issues.

### Council's Process for Applying These Legal Requirements

The first step of the process followed by Council when developing the Revenue and Financing Policy has been to analyse the requirements of section 101(3)(a) of the Act.

This has involved considering each of the 18 significant activities of Council in terms of this section of the Act. The headings used for this analysis are:

- Community Outcomes.
- Distribution of benefits.
- Period of benefits.
- Exacerbator pays.
- Costs and benefits of distinct funding.

The commentary below explains the issues discussed under each heading and how they relate to the Act's requirements. This is the first step used by Council in determining how its activities should be funded.

The next step in Council's process has been to consolidate the results of the individual significant activity analyses. The consolidated results were then considered in terms of section 101(3)(b), whereby the overall impact on the community was assessed. The matters taken into account, and the ability to adjust funding demands across different groups, are discussed under the "overall considerations" heading below.

Council then used the results of this work to formulate its policy for funding operating and capital expenditure from the available sources. The policy itself is presented under the heading "Policy Statement" above.

### Analysis of Section 101(3)(a) Requirements Community Outcomes

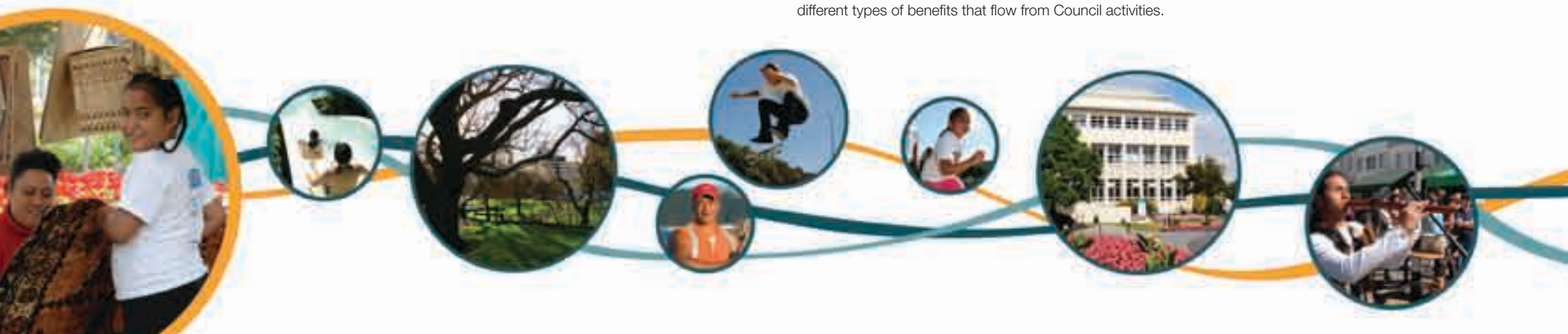
Section 101(3)(a)(i) requires Council to identify the Community Outcome to which each activity primarily contributes.

This Revenue and Financing Policy lists, for each activity, the Outcome or Outcomes to which it primarily contributes, and states why each activity is undertaken.

### Distribution of Benefits

Section 101(3)(a)(ii) requires Council to assess the benefits from each activity flowing to the community as a whole, and those flowing to individuals or identifiable parts of the community.

In order to assess the distribution of benefits, it is necessary to first describe and define the different types of benefits that flow from Council activities.



## Definition of Terms

This Policy uses a number of terms, which are defined below, in the course of the assessment of benefit distribution:

- *Existence benefit* – an existence benefit is one that arises simply from the fact that a facility or service exists. For an activity such as libraries, the fact that the community protests when library closures are mooted suggests that the community (including non-library users) derives a benefit from the existence of the libraries.
- *Option benefit* – a similar concept to existence benefit. The fact that people are prepared to pay through rates to maintain museums suggests that they value the option of using the museums if they wish to, even if they don't actually visit them.
- *Prestige benefit* – a benefit arising from a facility such as TheNewDowse which has a high reputation both in and outside Hutt City, and consequently enhances residents' sense of well-being and pride in their city.
- *Non-rival* – the enjoyment of a benefit by a person does not prevent the benefit being enjoyed by other people at the same time. An example is street lighting. Rival has the opposite meaning.
- *Non-excludable* – no person or group can be prevented from enjoying the benefit. An example is beaches. Excludable has the opposite meaning.
- *Public goods* – goods or services that can often only be supplied by the community, and are usually both non-rival and non-excludable.

Benefits flow to the community as a whole directly where:

- Additional people benefiting has little or no impact on costs, eg. democracy.
- The person or people benefiting cannot be identified, eg. parks and reserves.
- The community in general benefits, eg. Elected Members.

The community as a whole can also benefit indirectly from option benefits, existence benefits, and prestige benefits. Generally, benefits that flow to the community as a whole are non-rival and non-excludable.

For benefits of this type it is either not possible, not practical, or undesirable to charge people directly, so they are funded through general rates. It is not necessary that the entire community benefits for this principle to be applied.

Direct benefits to an individual or groups of people can be identified when it is possible to identify the user and to withhold the service if the user chooses not to pay. An example is refuse disposal. In this case the costs of those benefits should prima facie be funded on a user pays basis.

## Period of Benefits

Section 101(3)(a)(iii) requires Council to assess the period over which the benefits from each activity will flow. This in turn indicates the period over which the operating and capital expenditure should be funded.

For all activities operating costs are directly related to providing benefits in the year of expenditure. As such, they are appropriately funded on an annual basis from annual revenue.

Assets, purchased from capital expenditure, provide benefits for the duration of their useful lives. Useful lives range from a few years in the case of computer equipment through to many decades for infrastructural assets such as pipe networks. This introduces the concept of intergenerational equity. This concept reflects the view that benefits occurring over time should be funded over time. This is particularly relevant for larger capital investments such as the wastewater treatment plant, bridges, landfills etc.



One method used to spread these costs over time is loan funding. This ensures that current ratepayers do not pay for benefits received by future ratepayers. Each year's ratepayers pay the interest (representing the cost of capital) and depreciation charges that are associated with the asset. This results in infrastructural costs being spread more evenly across the life of the asset and the different ratepayers who benefit from it. The costs of reducing existing debt are also relevant in this concept.

These principles of funding operating and capital expenditure are as stated in the Policy Statement section of this Policy. They are assumed to apply to each activity, unless otherwise stated in the Individual Activity Analysis section. Accordingly, this heading is only included in the analysis of those activities which are funded other than in accordance with these principles.

### Exacerbator Pays

Section 101(3)(a)(iv) requires Council to assess the extent to which each activity exists only because of the actions or inaction of an individual or group. Examples are fixing a chemical spill, dog control, littering and parking fines.

Sometimes known as polluter pays, this principle aims to identify the costs to the community of controlling the negative effects of individual or group actions. The principle suggests that Council should recover any costs directly from those causing the problem.

Most activities do not exhibit exacerbator pays characteristics. This heading is only included in the analysis of those activities which do demonstrate such characteristics.

### Costs and Benefits of Distinct Funding

Section 101(3)(a)(v) requires Council to consider the costs and benefits of distinct funding for each activity. This section is interpreted as requiring Council to consider the costs and benefits of funding each activity in a way that relates exclusively to that activity. An example of this would be funding swimming pools entirely from user charges, or water from a targeted rate. The consideration of the costs and benefits of distinct funding must include the consequences of the chosen funding method for transparency and accountability.

Transparency and accountability are most evident when an activity is totally distinctly funded. This allows ratepayers, or payers of user charges as the case may be, to see exactly how much money is being raised for and spent on the activity, and to assess more readily whether or not the cost to them of the activity represents good value.

Funding every activity on such a distinct basis would be extremely administratively complex. For some activities the quantity of rates funding to be collected amounts to only a few cents per ratepayer. The administrative costs and lack of significance lead Council to fund a number of activities by way of a general rate. The Individual Activity Analysis section of policy does not repeat this argument for each activity, but rather assumes that the requirements of transparency and accountability for each activity's funding are adequately met by the publication of the estimates of activity expenditure in the Community Plan, and actual activity costs in Council's Annual Report.

Similarly, the funding method indicated by the distribution of benefits for a particular activity may include user charges. In some activities such as parks and reserves the cost of collection (structures and staff) may well be higher than revenue collected.

In a number of cases the Distribution of Benefits analysis points to the use of a targeted rate on a sector of the community as the most appropriate method of funding that sector's share of the activity costs. In other cases the analysis suggests that a sector benefits less than the rest of





the community, or not at all. Council believes that it is most efficient to allocate the costs to the community as a whole, and recognise different cost and benefit patterns amongst sectors of the community through the use of differentials on the general rate.

The Individual Activity Analysis sets out for each activity the results of Council's consideration of these matters, and any modifications that have been made to the funding shares and sources that are indicated by the distribution of benefits for the activity. It also outlines the distribution of the public funding between different rating groups, and the basis for that distribution.

### Overall Funding Considerations

Once the consideration of the matters referred to in section 101(3)(a) has been completed, a picture emerges of how different parts of the community benefit from Council's services and an overall indicative allocation of costs is compiled. The indicative allocation of costs is then examined in the light of the overall considerations set out in section 101(3)(b). This section of the Act requires Council to consider the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community. Elected member judgement is important at this point, because many of the benefit distribution assessments and resulting adjustments are subjective and benefit from final assessment by community representatives.

The results of the individual activity analysis are presented on the following page. This indicative allocation of costs suggests that Council's costs should be funded from the following sources:

#### Private Funding:

Targeted rates	22.9%
Fees and charges	22.3%
Operating subsidies	5.3%
Interest income	0.1%
Other sources	1.2%
<b>Total private funding</b>	<b>51.8%</b>

#### Public Funding:

General rates – residential	27.0%
General rates – business	19.9%
General rates – utilities	1.0%
General rates – rural	0.3%
<b>Total public funding</b>	<b>48.2%</b>

Council has considered the overall impact of the indicative private funding allocations on the community and determined that no changes are required to modify the overall impact. Therefore, the allocations shown above approximate the level of charges proposed in this Community Plan. The current level of user charges for each of Council's activities is the result of evaluation over a number of years having regard to the Community Outcomes sought by each activity.

Council also considered the overall impact of the indicative public funding allocations on the community and determined that no changes were required to modify the overall impact. The indicative allocations shown above approximate the allocations proposed in this Community Plan.

It is worth noting that Council has several different levels of rating within the business sector to reflect differences in the costs Council incurs in support of different geographical business areas and other business groupings. The differentials are described in detail in the Funding Impact Statement, but in summary are as follows:

- Business Central 3.7
- Business Suburban 3.4
- Business Accommodation 3.0
- Utilities 2.5



The Business Central differential applies to the central business district. It is higher than the average business differential as Council incurs proportionally more expenditure in support of this area.

Business Suburban applies to all business areas other than those covered by separate differentials.

Business Accommodation is a lower business differential for accommodation facilities, reflecting that a significant portion of the costs attributable to this sub-group is reflected in the targeted rates for water and wastewater.

The utilities differential applies to the distribution networks of utility owners, of which Council is by far the biggest in the city. This differential effectively transfers additional costs to Council's water-related activities, which is offset by a reduction in the overall general rate requirement. The reversal of Council's rates on its own assets is achieved by a consolidated cost adjustment as shown in the table on the previous page.

## Individual Activity Analysis

### 1. Libraries

#### Description

Council provides, maintains and manages eight libraries in the city. These are run as a single city-wide service. Their primary role is to provide written and recorded material such as books, audiovisual resources and access to online information. Library services are used for many purposes including learning, research and entertainment.

#### Community Outcomes

##### s101(3)(a)(i)

This activity contributes primarily to the following Community Outcomes:

- Outcome 5 – Lifestyle – affordable access to community facilities that include arts, cultural and recreational options.
- Outcome 9 – Healthy and Educated Community - everyone has access to a wide range of excellent educational services.

#### Distribution of Benefits

##### s101(3)(a)(ii)

#### Whole Community

There is vigorous debate on the extent to which libraries provide benefits to the community as a whole. The most common argument in favour of the existence of such benefits is that the universal availability of literature and knowledge resources promotes social cohesion and enables individuals, particularly young people, to fulfil their potential in positive ways. This argument may well be true but it is virtually impossible to prove in any objective manner. It is, therefore, a matter for subjective judgements of Councillors.



What is quite clear, however, is that the community feels very strongly that Council should provide libraries. A mere hint of closing a library produces strong community protest. This suggests that even while many people do not use libraries, they value them either for their existence, or as an option should they ever want to use them. The fact that a majority of the community is prepared to fund the provision of libraries to a level above their day-to-day personal needs implies that they receive either existence or option benefits from the libraries. Such benefits are both non-excludable and non-rival.

The extent of these benefits to the community as a whole is assessed as being equal to the benefits received by individuals.

**Identifiable Parts of the Community**

There are no identifiable parts of the community that derive benefits distinct from the whole community benefits.

**Individuals**

Benefits to individuals are readily apparent. They accrue to users of the libraries’ borrowing services and research facilities every time these services are used. On this basis, the assessment of the distribution of benefits between the community as a whole, identifiable parts of the community, and individuals would be weighted towards individual benefits.

**Total benefit to the community as a whole:** 50%  
**Total benefit to individuals:** 50%

**Costs and Benefits of Distinct Funding s101(3)(a)(v)**

The Distribution of Benefits assessment suggests that 50% of the Libraries activity should be funded from general rates, and 50% from a distinct funding source such as user charges.

Funding 50% of the activity cost from user charges would have benefits in terms of the transparency of cost allocation and charging. It would also increase accountability by relating the service received to the charge imposed.

On the other hand there are a number of costs associated with this level of distinct funding. There is broad public support for the provision of libraries by Council, and Council views libraries as an important part of the social infrastructure of the city. The library system would simply not exist if it operated on a user pays system based on the recovery of 50% of costs in line with the benefits assessed as flowing directly to users. Even limited charging would impact adversely on the lower income groups in the city. Council views the open and free access to information and books for children as being in the best interests of the city as a whole. Finally, charging for reading material would run contrary to the Community Outcome of “affordable access to community facilities that include arts, cultural and recreational options”.

**Total costs allocated to the community as a whole:** 93%  
**Total costs allocated to individuals:** 7%

FINAL COST ALLOCATION PERCENTAGE	
<b>Private Funding</b>	
User Charges	7.0
<b>Total Private Funding</b>	<b>7.0</b>
<b>Public Funding</b>	
General Rate	
Residential	73.7
Business	14.8
Utility	3.0
Rural	1.5
<b>Total Public Funding</b>	<b>93.0</b>
<b>TOTAL</b>	<b>100.0</b>



The level of user charges is based on Council's experience of recent years, and reflects the perceived maximum level of user charges consistent with Council's social objectives.

The allocation of public funding across residential, business, utility and rural ratepayers is in direct proportion to each segment's share of the total capital value of the city.

## 2. Museums

### Description

Council operates two museums. TheNewDowse displays art, craft and other cultural materials. The Petone Settlers Museum specialises in the social history of the Lower Hutt Valley and Petone. These institutions are open to the public at no charge, other than for special exhibitions.

### Community Outcomes

#### s101(3)(a)(i)

This activity contributes primarily to Community Outcome 5 – Lifestyle - affordable access to community facilities that include arts, cultural and recreational options.

### Distribution Of Benefits

#### s101(3)(a)(ii)

#### Whole Community

Museums provide more obvious benefits to the whole community than is the case with libraries. Museums expenditure is generally independent of the number of people benefiting from the service making it non-rival. The benefits of the historical information database held at the Petone Settlers Museum are more non-rival in that the private sector is unlikely to provide such a service.

The presence of existence benefits also appears to be more apparent than is the case with libraries. This is particularly strong with the Petone Settlers Museum and the art collections associated with the heritage of the local area. Conversely, there are less apparent option benefits in that the public have shown more ambivalence toward TheNewDowse. It should be noted, however, that prestige benefits are significant with TheNewDowse. To many outside the city it is Hutt's primary attraction and commands considerable respect as an arts institution.

### Identifiable Parts of the Community

TheNewDowse, and to a lesser extent the Petone Settlers Museum, draw a large number of visitors to the city. Consequent expenditure by those visitors provides considerable benefit to the business community.

### Individuals

The direct user benefits as an individual from the enjoyment and knowledge gained from visiting a museum. In addition, a number of people (many from outside the Hutt area) are using the service to obtain specific information relating to their history and as such are receiving a private benefit.

**Total benefit to the community as a whole:**

**20%**

**Total benefit to identifiable parts of the community:**

**30%**

**Total benefit to individuals:**

**50%**

### Costs and Benefits of Distinct Funding

#### s101(3)(a)(v)

The Distribution of Benefits assessment suggests that 20% of the museums activity should be funded from general rates, 30% from a targeted museums rate on the business community, and 50% from a source such as user charges.



Funding 50% of the activity cost from user charges would have benefits in terms of the transparency of cost allocation and charging. It would also increase accountability by relating the service received to the charge imposed.

In terms of efficiency, however, funding 50% of this activity by user charges poses difficulties. Charging a small entry fee may dissuade some patrons, and the revenue would be offset by the costs of setting up and operating a door charge system. It is likely that the desired private funding target could not be reached, as the number of visits would decline as the price increases. Council views museums as an important part of the social infrastructure of the city. Council views free or nearly free access to the museums by all residents to be in the best interests of the city as a whole. Free or low cost access to all residents supports the Community Outcome of “affordable access to community facilities that include arts, cultural and recreational options”. Council recognises the valuable contribution the Dowse Foundation and donors are making to the city through the extensive community fund raising activities.

Efficiency considerations also argue against a targeted museums rate on the business community. Such a rate would have benefits for transparency of charging, but the fact that museums is only one of the activities from which the business community as a group benefits would require each of the activities to have a targeted business rate. Council believes that it is more efficient to assess the overall benefit to businesses from Council activities and recover the costs through the use of a business differential within the general rate. As a result of this assessment costs allocated to the business community become part of the costs allocated to the community as a whole.

**Total costs allocated to the community as a whole: 80%**  
**Total costs allocated to individuals: 20%**

**FINAL COST ALLOCATION PERCENTAGE**

<b>Private Funding</b>	
User Charges	5.0
Other Revenue	15.0
<b>Total Private Funding</b>	<b>20.0</b>
<b>Public Funding</b>	
General Rate	
Residential	51.5
Business	25.4
Utility	2.1
Rural	1.0
<b>Total Public Funding</b>	<b>80.0</b>
<b>TOTAL</b>	<b>100.0</b>

The business rating group has been allocated double its property value share on the basis of the benefit it receives from the large numbers of visitors attracted to the city by its museums. The balance of the public funding is based on property value proportions of the other rating groups.

**3. Aquatics and Recreation**

**Description**

Council provides and maintains six swimming pools in the city as part of its portfolio of recreational facilities. Recreational programmes are community-based programmes designed to encourage residents to engage in a range of recreational activities. These services are provided to promote health and enjoyment and stimulate the community’s interest in different recreational opportunities.



## Community Outcomes s101(3)(a)(i)

This activity contributes primarily to Community Outcome 5 – Lifestyle - affordable access to community facilities that include arts, cultural and recreational options.

## Distribution of Benefits s101(3)(a)(ii)

### Whole Community

The activity is undertaken because there are insufficient incentives for private interests to provide swimming pools and recreation programmes in the number the community desires. Like libraries, swimming pools enjoy widespread and vociferous public support, implying significant option benefits. However, it is noted by the Hillary Commission that pools are largely patronised by middle and upper income groups.

Community benefits from recreational programmes come from meeting the specific recreational and life skill aspirations of Hutt City residents. It is widely accepted that increased recreational activity in a group situation delivers benefits to the community at large in the areas of health and crime prevention.

### Identifiable Parts of the Community

There are no identifiable parts of the community that derive benefits distinct from the whole community benefits.

## Individuals

Swimming pools provide a perfect environment in which to learn to swim. It should also be noted that many people swim for fitness and that this is in direct competition with private sector gyms and other recreational facilities.

The recreational programmes carried out in this activity have a set of obvious, direct, rival and excludable private benefits that go to those using the programmes. This is particularly true if the participants are not from a disadvantaged section of the community.

**Total benefit to the community as a whole:**

**40%**

**Total benefit to individuals:**

**60%**

## Costs and Benefits of Distinct Funding s101(3)(a)(v)

The Distribution of Benefits assessment suggests that 40% of the Aquatics and Recreational Programmes activity should be funded from general rates, and 60% from user charges.

It is estimated that the marginal cost of pool use is around 50c. The adult admission charge of up to \$4.00, therefore, covers significant amounts of fixed costs, which make up the bulk of the costs of swimming pools. Council could take a purely revenue maximising approach to pool charges. This, however, needs to be balanced with social objectives such as not preventing low income families from using pools. Affordability for lower income groups is considered to be a sufficient reason to keep pool charges and recreation programmes below the full cost. Experience has shown that raising prices to levels that deter usage results in lower overall income. These detriments are seen as outweighing the benefits to transparency and accountability that would accrue from funding the activity as per the distribution of benefits.

**Total costs allocated to the community as a whole:**

**65%**

**Total costs allocated to individuals:**

**35%**



**FINAL COST ALLOCATION PERCENTAGE**

**Private Funding**

User Charges	30.0
Other Revenue	5.0
<b>Total Private Funding</b>	<b>35.0</b>

**Public Funding**

General Rate	
Residential	51.6
Business	10.3
Utility	2.1
Rural	1.0
<b>Total Public Funding</b>	<b>65.0</b>
<b>TOTAL</b>	<b>100.0</b>

The allocation of public funding across the residential, business, utility and rural ratepayers is in direct proportion to each segment’s share of the total capital value of the city.

**4. Parks and Reserves**

**Description**

Council provides and maintains passive recreational facilities in the city for the enjoyment and well-being of the public, free of charge. Sports fields are provided and maintained through charges to sports codes. Recreation areas are both natural and created, with the majority of effort targeted at maintenance and retaining areas in their natural state.

This activity also includes Council’s cemeteries.

**Community Outcomes**

**s101(3)(a)(i)**

This activity contributes primarily to Community Outcome 5 – Lifestyle - affordable access to community facilities that include arts, cultural and recreational options.

**Distribution of Benefits**

**s101(3)(a)(ii)**

**Whole Community**

The activity is undertaken because the market does not provide such facilities at levels desired by the community. The major public good characteristic of passive recreation facilities such as parks, reserves and beaches is that they are non-rival. It is technically feasible to exclude people from their use, but it is likely that there would be a high cost to this. The costs of maintaining passive recreation facilities are generally the same regardless of the number of users. Accordingly, the benefit to the whole community for passive recreation facilities is assessed at 95%.

There is strong community support for sports fields, which suggests that, even while many people do not use the sports fields, they value the option to use them should they so wish. The community also recognises the public benefits obtained by children and young people through increased health and social skills. The benefit to the whole community for sports fields is assessed at 70%.

Cemeteries are not seen as providing any significant benefit to the community as a whole.

**Identifiable Parts of the Community**

There are no identifiable parts of the community that derive benefits from passive recreation facilities distinct from the whole community benefits.



The majority of the costs of sports fields arise out of having to maintain them to the standard required by whichever sports code is using the field. The codes represent identifiable groups within the community and the fields are both rival and excludable.

### Individuals

On occasion a commercial operator will rent a reserve for an event or recreational business (such as the holiday park). In these cases the benefit characteristics of the property switch from whole community to individual benefit for the duration of the rental period. A market rent is charged to reflect this.

Cemetery plots are both rival and excludable. Benefits from the provision of cemeteries are assessed at 100% to individuals.

On the basis of this analysis the overall distribution of benefits for this activity is:

<b>Total benefit to the community as a whole:</b>	<b>80%</b>
<b>Total benefit to identifiable parts of the community:</b>	<b>15%</b>
<b>Total benefit to individuals:</b>	<b>5%</b>

### Period of Benefits

#### s101(3)(a)(iii)

Capital costs of both passive recreation facilities and sports fields have generally been paid by developers, or the facility has been in public ownership for a long time. There is an ongoing opportunity cost of capital, which should be funded annually in the same way as interest on loans is funded for other asset rich activities. Where land is assessed as surplus to requirements Council should initiate the process to dispose of it.

For cemeteries Council maintains plots in-perpetuity. As the benefit assessment is 100% individual benefit, the fees charged for plots should include the maintenance and capital costs of providing the cemetery in-perpetuity.

### Exacerbator Pays

#### s101(3)(a)(iv)

The actions of sports codes contribute significantly to the need for Council to undertake the maintenance of sports fields.

### Costs and Benefits of Distinct Funding

#### s101(3)(a)(v)

The Distribution of Benefits assessment suggests that 80% of the Parks and Reserves activity should be funded from general rates, 18% from charges for the use of sports fields, and 2% from other user charges such as cemetery plot fees.

Council views the active participation of residents in outdoor activities as beneficial to the whole community. Affordability for sporting clubs is now a factor in limiting participation. For these reasons Council has modified the private benefit of the sports fields activity down to approximately the current level of charges.

<b>Total costs allocated to the community as a whole:</b>	<b>90%</b>
<b>Total costs allocated to identifiable parts of the community:</b>	<b>5%</b>
<b>Total costs allocated to individuals:</b>	<b>5%</b>





**FINAL COST ALLOCATION PERCENTAGE****Private Funding**

User Charges	10.0
<b>Total Private Funding</b>	<b>10.0</b>

**Public Funding**

General Rate	
Residential	71.3
Business	15.8
Utility	2.9
Rural	0.0
<b>Total Public Funding</b>	<b>90.0</b>
<b>TOTAL</b>	<b>100.0</b>

The distribution of public funding between rating groups is based on property valuations reflecting a generally even spread of benefits across all ratepayers. The exception is the rural sector where property owners generally supply their own open space recreation areas. This proportion has been allocated to the business sector to recognise the intense use of gardens in the central area.

## 5. Community Support

### Description

Council has a policy of identifying and understanding its communities and their issues. Through greater knowledge of local needs Council is able to respond suitably to social issues affecting members and groups of communities it represents. The support Council contributes assists groups to achieve their goals when it would not otherwise have been possible owing to lack of resources. This support includes facilitation, advocacy, consultation and allocation of grants to community organisations and groups. These services are carried out through Council's Community Development Division or through private contracts.

### Community Outcomes

#### s101(3)(a)(i)

This activity contributes primarily to the following Community Outcomes:

- Outcome 5 – Lifestyle - a city that is safe, friendly and welcoming, where people experience a sense of belonging.
- Outcome 5 – Lifestyle - affordable access to community facilities that include arts, cultural and recreational options.

### Distribution of Benefits

#### s101(3)(a)(ii)

#### Whole Community

Council's Social Policy framework is a frame of reference for Council policies in general. On this basis the benefits can be said to accrue to the community in general. In addition, the costs are largely independent of the number of people who benefit. Benefits are also non-rival and non-excludable.

High levels of community support exist for devoting resources to the delivery of social policy, suggesting significant option values. In most cases the grants or community houses funded are acting as the coordinator between Council and the most disadvantaged groups of people. These funds are contestable to a large extent and therefore open to anyone to apply to help achieve Council's objective to help those least able to help themselves.

It is considered, therefore, that the activity is defined as distributing grants on behalf of ratepayers in general. This point and the fact that the service is targeted at parts of the community that are unable to achieve their objectives without Council help, suggest a majority of public funding.



### Individuals and Identifiable Parts of the Community

The delivery of Social Policy has a private benefit component reflecting the fact that the service is delivered to identifiable individuals and groups. The direct benefits of the activity are both rival, in that if one group receives it another cannot, and excludable, in that Council can withhold the service from beneficiaries if it chooses. Grants to community houses largely benefit the part of the city in which they are located. Community grants involve the transfer of funds from the general ratepayer to individuals or groups.

This activity includes discretionary rate remissions. These are largely of private benefit to clearly identifiable groups of people.

**Total benefit to the community as a whole:** 80%  
**Total benefit to individuals and identifiable parts of the community:** 20%

### Period of Benefits s101(3)(a)(iii)

There is an intergenerational aspect to this activity, in that the Social Policy Framework was developed over a few years but its benefits will occur over a longer period.

### Costs and Benefits of Distinct Funding s101(3)(a)(v)

The Distribution of Benefits assessment suggests that 80% of the Community Support activity should be funded from general rates, and 20% from user charges.

The benefits from transparency and accountability flowing from such a funding mix are more than offset by the social costs that would result. Council acts to help support the part of the community that can least afford to take care of itself. Council believes that providing some

community support to those in need is in the interests of the whole community. Council is focused on providing some support for the community groups that help the community in this fashion.

As part of this activity Council receives and distributes grants from other organisations, principally Central Government. For final cost allocation purposes these funds, and a small amount of user charges reflecting current practice, are deemed to equate to the private good element of this activity.

**Total costs allocated to the community as a whole:** 92%  
**Total costs allocated to individuals and identifiable parts of the community:** 8%

#### FINAL COST ALLOCATION PERCENTAGE

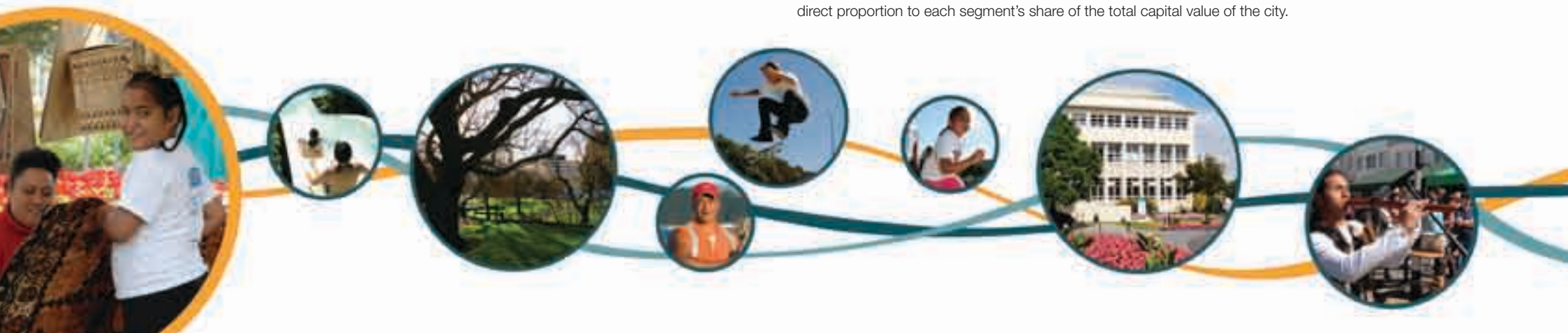
##### Private Funding

User Charges	1.0
Other Revenue	7.0
<b>Total Private Funding</b>	<b>8.0</b>

##### Public Funding

General Rate	
Residential	73.0
Business	14.6
Utility	2.9
Rural	1.5
<b>Total Public Funding</b>	<b>92.0</b>
<b>TOTAL</b>	<b>100.0</b>

The allocation of public funding across residential, business, utility and rural ratepayers is in direct proportion to each segment's share of the total capital value of the city.



## 6. Property

### Description

Council manages a variety of properties for use by the community. These properties are mainly community and civic halls and venues, public toilets and community houses. Council's ownership of most of these properties is largely historical. There is significant public preference for retaining Council ownership of the properties used by the community, and facilitating community events, meetings and gatherings. Public toilets are provided for community convenience and to safeguard public health. Progressive reviews of these facilities ensure they remain efficient and meet changing public requirements.

Council also provides and maintains a number of other properties, including buildings used for Council's administration and other miscellaneous properties.

### Community Outcomes

#### s101(3)(a)(i)

This activity contributes primarily to the following Community Outcomes:

- Outcome 5 – Lifestyle - affordable access to community facilities that include arts, cultural and recreational options.
- Outcome 6 – Regional Foundations - everyone has a quality standard of affordable housing.

### Distribution of Benefits

#### s101(3)(a)(ii)

This activity consists of community property and other property functions. These functions have distinct economic characteristics that are discussed separately below.

### Community Properties

The provision of halls and venues (including community houses) is rival and excludable with many private sector substitutes being offered. Where suitable alternative structures are not available developers would provide them given an adequate rental. Public benefits arguably exist in that some groups serving the community's interest could not afford to pay the market price for hall rental and a subsidy provides net benefits to the public. There might also be benefits in having "neutral territory" on which some community groups can meet, and places where Council can hold public meetings.

Public toilet facilities have both public and private good characteristics. Public toilets are an activity intended to minimise the negative effects of individual actions. The fouling of public areas is seen as a public health issue and is difficult to prevent. Public toilets are seen as an effective alternative. It is acknowledged that to encourage greater use of public toilets, the standard would need to be improved. The community is currently asking Council to provide more public toilets. This fact points to a recognition that the community sees public benefits from providing clean public toilets for residents and visitors to the city.

Council provides a small number of public toilets in shopping areas and at parks and reserves. Toilets are provided by the private sector for use by the public in many areas such as shopping malls and fast-food outlets. The service is both rival and excludable, and the direct benefits are private in nature. In many countries this service is provided on a user pays basis.

**Total benefit to the community as a whole:**

**40%**

**Total benefit to individuals or identifiable parts of the community:**

**60%**



### Other Properties

Other property is generally a private good with considerable private sector competition. Council has been selling some of this property, and this is expected to continue. Property used for Council's activities should be fully cost recovered and those costs shown in the appropriate activity of Council.

**Total benefit to the community as a whole:**

5%

**Total benefit to individuals or identifiable parts of the community:**

95%

### Period of Benefits

#### s101(3)(a)(iii)

This activity involves the ownership and management of a large number of assets, and intergenerational issues apply.

Many of the community property structures have been provided to some extent by past generations of residents' fundraising activities helping to pay for the private benefits of the users. If the community wishes these facilities to be maintained, and to be replaced at the end of their useful lives, it is appropriate that each year's ratepayers make a capital cost contribution through depreciation charges.

### Exacerbator Pays

#### s101(3)(a)(iii)

The provision of public toilets is seen as being an exacerbator pays issue, which would indicate the use of user charges to fund this part of the activity, but the public health issues arising from non-use indicate against such charges.

### Costs and Benefits of Distinct Funding

#### s101(3)(a)(iv)

Halls and venues provide community groups and individual residents with opportunities to carry out recreational, cultural and governance activities. Charging the full costs of running these community facilities would result in many of the community groups ceasing to operate with consequent negative impacts on the community at large. It is likely that the desired private funding target would not be reached, as the total revenue would actually decline as the price increases. The modification to the funding of this activity recognises that current charges are at a level that is at the upper limit of what the community is prepared to tolerate.

Charging for public toilets would defeat the purpose for which Council has provided them.

For public health reasons toilets need to be freely available to ensure usage.

**Total costs allocated to the community as a whole:**

39%

**Total costs allocated to individuals or identifiable parts of the community:**

61%

#### FINAL COST ALLOCATION PERCENTAGE

##### Private Funding

User Charges	61.0
<b>Total Private Funding</b>	<b>61.0</b>

##### Public Funding

General Rate	
Residential	31.0
Business	6.2
Utility	1.2
Rural	0.6
<b>Total Public Funding</b>	<b>39.0</b>
<b>TOTAL</b>	<b>100.0</b>



The allocation of public funding across residential, business, utility and rural ratepayers is in direct proportion to each segment's share of the total capital value of the city.

The final cost allocation assumes internal charges to other activities for properties used directly by Council are not included in the user charges percentage above. These internal charges are treated as a reduction in the costs allocated.

## 7. Roothing and Traffic

### Description

The roading and traffic significant activity consists of five sub-functions – roading and footpaths, street cleaning, street lighting, traffic management and parking. Council provides, maintains and cleans sealed roads and footpaths throughout the city. Traffic control measures are utilised to ensure the efficient and safe movement of motor vehicles, cyclists, pedestrians and other forms of transport. Street lighting is provided to ensure the safety and security of road and footpath users at night.

Parking involves the provision, maintenance and regulation of on-street and off-street carparks in the commercial areas of the city. The location and regulation of carparks is designed to ensure fair, easy and efficient access to the city's commercial areas.

### Community Outcomes s101(3)(a)(i)

This activity primarily contributes to the following Community Outcomes:

- Outcome 1 – Community Prosperity - a local economy that is attractive to both businesses and residents.
- Outcome 2 – Connected - enhanced roading system.

- Outcome 6 – Regional Foundations - roading, water and waste (including recycling) work and are accessible to all.
- Outcome 7 – Sense of Place - a built environment that is attractive, safe and healthy; a more attractive Hutt City.

### Distribution of Benefits s101(3)(a)(ii)

This significant activity comprises a set of functions including roading, street cleaning, traffic management, street lighting and parking. These activities have distinct economic characteristics, which are discussed separately below.

#### Roothing

The provision of roads is a legal requirement. The public nature of the road reserve and the absence of private markets result in Council's role as asset owner and funder.

Roothing provides a strip of commonly owned land by which people and goods can move without having to enter into complex transactions with individual land owners. This common strip is generally non-rival and practically non-excludable and the benefits of it go to the community in general. This aspect of the road network has negligible operating costs associated with it. Its costs lie in the purchase price of the land and the opportunity cost of keeping the community's resources in that form (cost of capital).

Maintaining the road surface and structure, or "carriageway", is where the bulk of the operating costs lie. Carriageway technology is provided almost exclusively for motorists. The benefits, therefore, are received by an identifiable group within the community.

The whole community does not benefit equally from this expenditure – the more you use the road, the more you benefit. Road surfaces are technically excludable through vehicle registration. In reality Council is unable to exclude any users by law (given a legal vehicle)



and is unable in law to place a toll on the road. They are also rival in that they are worn out as each vehicle passes over them (exponentially according to the weight of the vehicle). They are also rival when congested, as every extra vehicle that goes on to the road imposes a cost on all the other vehicles present. In this sense the carriageway aspect is not a pure public good.

Footpaths, like carriageways, are designed for a certain transport mode – mainly pedestrians. Unlike the carriageway, however, they are not easily worn out through use, are more difficult to exclude from use and are rarely congested. For these reasons they more closely resemble public goods.

Prestige values are also present in that people express considerable concern to Council over the state of roads in their localities. People generally feel that untidy or damaged roads reflect poorly on the city as a whole.

Generally major arterial routes more than pay their own way in fuel tax and road user charges. At the other extreme cul de sacs will never do so. The roading system is a network, however, and such individual components can only crudely be treated in isolation. The best outcome would be to have all approved carriageway costs funded from road user sources rather than rates. However, road tolling is practicable in only limited circumstances and Hutt City Council already maximises its roading “subsidy” from Land Transport NZ. The level of rates funding must continue if Council is to maintain and improve its roading network. Applying the principles of the Act suggests that Council should seek the replacement of rates funding for approved carriageway expenditure with Land Transport NZ money.

A greater contribution from Land Transport NZ would also eliminate the need for any rates differentiation on the basis that commercial traffic accounts for approximately 50% of traffic counts around the city and a proportion greater than 50% by axle weight.

Roading provides a higher level of user benefit to urban residents and businesses because of higher surface, footpath and lighting standards. For these reasons allocation of a lower proportion of costs can be considered for rural ratepayers.

**Total benefit to the community as a whole: 35%**  
**Total benefit to individuals or identifiable parts of the community: 65%**

### Street Cleaning

Street cleaning is necessary owing to natural and human factors. Leaves and dust are unavoidable consequences of weather. The litter component falls into the exacerbator principle.

Prestige values again are present in that people express considerable concern to Council over the amount of litter in their localities.

**Total benefit to the community as a whole: 80%**  
**Total benefit to individuals or identifiable parts of the community: 20%**

### Traffic Management

In traffic management Land Transport NZ and Greater Wellington Regional Council subsidised works are regarded to be of private benefit to users of the road with the balance relating to cyclists and pedestrians throughout the whole city. Public benefits come from the safety aspect to the community in general. The Land Transport NZ subsidy meets the costs of the private benefits to, and negative effects caused by, vehicle users.

**Total benefit to the community as a whole: 60%**  
**Total benefit to individuals or identifiable parts of the community: 40%**



### Street Lighting

Street lighting is provided to certain standards for traffic and pedestrian safety in a way that is both non-rival and non-excludable. Also the cost of providing the service is largely independent of the number of users once certain levels are reached.

There are private benefits obtained from the service though, and the major beneficiaries are the motorists. Motorists are an identifiable group of beneficiaries best recognised and dealt with through the Land Transport NZ subsidy. This subsidy is currently at around 45% and this should be used as a proxy for private benefit.

**Total benefit to the community as a whole:** 55%  
**Total benefit to individuals or identifiable parts of the community:** 45%

### Parking

The legal status and public nature of the road reserve requires that Council own the parking asset. Council is responsible for regulation and enforcement owing to its legal ability to ration carparks through by-laws.

Parking fees are seen as a short term rental on a plot of land that has an excess demand for its use, and are therefore a private good, as parking spaces are both rival and excludable. Parking fees are a rationing mechanism for a scarce resource. Parking fines are a mechanism to force the user to vacate the park and allow another user the opportunity to rent the space. Free alternatives are available as private landowners offer free rentals to entice customers into their properties. In areas where supply exceeds demand no rationing mechanism is needed and parks are free.

The private funding of 150% includes an allocation of 50% to provide for a return on the cost of capital including new meters.

**Total benefit to the community as a whole:** -50%  
**Total benefit to individuals or identifiable parts of the community:** 150%

### Exacerbator Pays s101(3)(a)(iv)

Road and parking congestion has exacerbator pays considerations that point towards use of user charges to ensure effective use of the resource.

The litter component of street cleaning falls into the exacerbator principle. It is not possible to identify the exacerbator in most cases, however, and even large penalties would not generate enough net revenue to fund street cleaning, even while reducing the need for it.

### Costs and Benefits of Distinct Funding s101(3)(a)(v)

#### Roading

The Land Transport NZ portion of funding covers the private good element of roading.

Roading costs make up the majority of this activity and vehicle weights are the major factor in creating damage. The majority of the costs of roading are therefore caused by heavy vehicle movements, which are generated by businesses. This is recognised in the road user charges system run by Central Government.

Under the Local Government (Rating) Act 2002 Council has no ability to directly impose charges on road users. All road reserves are free to access for all vehicles. A separate Act of Parliament is needed to collect tolls on a specific road. The level of user charges is therefore set at the level of subsidy received from Land Transport NZ. This situation could change in the medium term with the Government now reviewing transport legislation.



### Street Cleaning

There is an issue of whether the cost of street cleaning in commercial areas should be significantly borne by the business community. This is probably more fair and efficient than charging the community at large. Not all people use the commercial areas equally and where the cost is placed on the business owners it:

- Provides incentives for businesses to reduce packaging.
- Offers the opportunity for business owners to pass on the cost to those who actually use the shopping areas.
- Gives businesses the incentive to seek from Council the level of service they require.

### Traffic Management

Council recognises that the operating subsidies do not cover the private benefits of pedestrian areas and cyclists. In order to promote alternatives to the use of car-based trips this benefit is seen to be one that should be paid for by the public in general.

### Street Lighting

Street lighting is a relatively pure public good that is most appropriately funded from general rates.

### Roading Excluding Parking

**Total costs allocated to the community as a whole:** 78%

**Total costs allocated to individuals or identifiable parts of the community:** 22%

### Parking

The target has been modified to reflect the current level of charges. Income from this activity is applied to general roading and traffic expenditure.

**Total costs allocated to the community as a whole:** -58%

**Total costs allocated to individuals or identifiable parts of the community:** 158%

#### FINAL COST ALLOCATION PERCENTAGE

##### Private Funding

User Charges	15.0
Operating Subsidies	15.0
<b>Total Private Funding</b>	<b>30.0</b>

##### Public Funding

General Rate	
Residential	17.3
Business	43.7
Utility	8.8
Rural	0.2
<b>Total Public Funding</b>	<b>70.0</b>
<b>TOTAL</b>	<b>100.0</b>

In recognition of the fact that businesses give rise to the majority of the costs of maintaining the roading network, 75% of public funding requirements have been allocated to businesses, including utility networks. The remaining public funding has been allocated between residential and to a lesser extent rural ratepayers for reasons discussed in the benefits section above, in direct proportion to each segment's share of the total capital value of the city.





## 8. Water

### Description

This activity involves the supply of high quality drinkable water for domestic and commercial use. Council purchases bulk water from Greater Wellington Regional Council, and this accounts for 56% of the total cost of water supply to the city. Water is then distributed around the city through the local pipe network. Council's ownership of the pipe network is historical. There is a legal requirement for Council to retain control of these assets.

### Community Outcomes

#### s101(3)(a)(i)

This activity contributes primarily to the following Community Outcomes:

- Outcome 1 – Community Prosperity - a local economy that is attractive to both business and residents.
- Outcome 4 – Healthy Environment - clean air, water and land.

### Distribution of Benefits

#### s101(3)(a)(ii)

The public health benefits lie in the treatment of the water and in having a sealed reticulation system made from safe materials. The treated water is both excludable and rival.

Third party benefits are considered to exist in the avoidance of infectious waterborne diseases. The expenditure on the public health component is costs associated with treatment and the marginal cost of “healthy” pipe technology, eg. the extra expense of having non-asbestos pipes. The costs of using healthy pipe technology, as well as the cost of hygienic headworks (source of water), are significant.

Fire-fighting capacity is available to all within the reticulated area. Once the capacity is provided newcomers can be accommodated at negligible extra cost. In this sense it is non-rival. It is also neither practicable nor desirable to exclude people from this benefit. Fire-fighting capacity, therefore, is a public good component. While significant, this forms a relatively minor part of the overall costs of this activity.

In the absence of metering, targeted rates can be seen as a proxy for user charges. All connections are charged the targeted rate, and this is assumed to cover the supply of the average residential user. Commercial water users are charged on a metered rate for water consumption over and above this volume. The user charges account for around 20% of the total operating cost of the activity and are 100% private benefit funded.

There is unaccounted water use equivalent to around 20% of total water use. This includes fire-fighting, flushing (cleaning) of the system and cleaning out reservoirs. Leakage from the system accounts for 10-15% of total water use. This leakage results from breaks and leaks throughout the network and cannot be attributed to any specific users. The cost of this leakage is spread evenly across all users.

**Total benefit to individuals or identifiable parts of the community: 100%**

### Costs and Benefits of Distinct Funding

#### s101(3)(a)(v)

Ensuring consumers see the true costs of their consumption assists the efficient allocation of water. A general rate would not achieve this aim. Water metering would be effective, but the costs of meter installation and reading are high. A targeted rate for water is seen as a cost-effective means of providing transparency of the true cost of supply.

**Total costs allocated to individuals or identifiable parts of the community: 100%**



**FINAL COST ALLOCATION PERCENTAGE****Private Funding**

User Charges	18.0
Targeted Rate	82.0
<b>Total Private Funding</b>	<b>100.0</b>
<b>Total Public Funding</b>	<b>0.0</b>
<b>TOTAL</b>	<b>100.0</b>

**9. Wastewater****Description**

Council ensures the treatment and disposal of household and commercial effluent according to regional and national environmental standards. A new treatment plant was commissioned in 2002 to ensure effluent is treated to higher standards.

**Community Outcomes****s101(3)(a)(i)**

This activity primarily contributes to the following Community Outcomes:

- Outcome 1 – Community Prosperity - a local economy that is attractive to both businesses and residents.
- Outcome 4 – Healthy Environment - clean air, water and land.
- Outcome 6 – Regional Foundations - roading, water and waste (including recycling) work and are accessible by all.

Through treating and disposing of wastewater Council is protecting both the physical environment and the health of the community. There is also a legal requirement for Council to retain control of these assets.

**Distribution of Benefits****s101(3)(a)(ii)**

Public goods are generally those that the market will not supply in sufficient quantities. Wastewater, like any other form of pollution, is something we want less of. The private sector would be more than happy to supply wastewater infrastructure so any market failure lies in its monopoly characteristics. Users of wastewater services can be identified and charged and therefore the activity delivers significant private benefits.

There are also some public good characteristics in wastewater. These exist in the benefits to the community from maintaining public health (as opposed to the benefits of being healthy to an individual) and environmental protection. These benefits are in the area of public health infrastructure.

Current funding is consistent with a high, or total, private benefit component, if the targeted rate is treated as a proxy for user charges. User charges are possible via either metering wastewater, or more simply by charging for wastewater on the basis of volume of water supplied.

Commercial users of the wastewater system meet the full costs associated with the treatment and disposal of the waste they generate in the new Wastewater Treatment Plant via a trade waste charging system introduced in 2002. Charges are based on the strength of the waste as well as the volume. This has the effect of shifting part of the funding from targeted rates to direct user charges. It has no impact on the private/public benefit split as targeted rates are treated as a proxy charge for user pays.

The rural sector is generally not a user of this activity. The significant use of user charges or targeted rates ensures that payments are sought only where the service is provided.

**Total benefit to individuals or identifiable parts of the community:**

**100%**



**Exacerbator Pays  
s101(3)(a)(iv)**

The majority of wastewater is not a public good at all, but rather an exacerbator issue, where the polluter should pay. This indicates funding via a high proportion of direct user charges to encourage waste reduction by those parties creating the pollution.

**Costs and Benefits of Distinct Funding  
s101(3)(a)(v)**

Funding by user charges has the benefit of ensuring that polluters face the true costs of their activity and encourages waste reduction. User charges can, however, present ability to pay problems for residents with limited means and in extreme cases of hardship present public health risks if user charges result in disconnection.

**Total costs allocated to individuals or identifiable parts of the community: 100%**

FINAL COST ALLOCATION PERCENTAGE	
<b>Private Funding</b>	
User Charges	4.0
Operating Subsidies	14.0
Targeted Rate	82.0
<b>Total Private Funding</b>	<b>100.0</b>
<b>Total Public Funding</b>	<b>0.0</b>
<b>TOTAL</b>	<b>100.0</b>

**10. Stormwater**

**Description**

Council operates an effective drainage system to protect property from flooding damage. Stormwater infrastructure includes pipe networks, street-side gutters, retention dams and open watercourses. These are provided and maintained according to the reasonable costs of managing foreseeable flooding events. There is a legal requirement for Council to retain control of these assets.

**Community Outcomes  
s101(3)(a)(i)**

This activity primarily contributes to the following Community Outcomes:

- Outcome 1 – Community Prosperity - a local economy that is attractive to both businesses and residents.
- Outcome 4 – Healthy Environment - clean air, water and land.
- Outcome 6 – Regional Foundations - roading, water and waste (including recycling) work and are accessible by all.

**Distribution of Benefits  
s101(3)(a)(ii)**

Stormwater reticulation, watercourses, major storm events and watercourse quality management, addressed under this heading, are partly for private benefit but mainly for public benefit. This is in terms of dealing with public spaces and the public stormwater system, managing damage from severe flooding and conducting monitoring and pollution control for the community at large. These attributes are generally non-excludable and non-rival. Private benefit exists, however, in that buildings and pavements increase the need for the expenditure. Economies of scale associated with the provision of an overall system are also recognised.



The system's benefits are to the community in general and the costs are not driven by individuals.

**Total benefit to the community as a whole:** 80%  
**Total benefit to individuals or identifiable parts of the community:** 20%

**Exacerbator Pays s101(3)(a)(iv)**

Buildings and pavements increase the need for expenditure and in this respect the exacerbator should pay. Stormwater impacts are created largely by run-off from impervious surfaces. The normal business sector property has more than double the impervious surfaces of the average residential property, and the average rural property has significantly less. The severity of negative impacts generated, in ranked order from highest to lowest by property type, is therefore business, residential then rural.

This would support a degree of distinct or differential funding from each sector.

**Costs and Benefits of Distinct Funding s101(3)(a)(v)**

Council has decided that the stormwater system is a network type asset that is far more efficient to be operated on a city-wide basis to deliver economies of scale. It is not acceptable to have individual properties opting out of the system by refusing to pay for it. For these reasons Council has modified the allocation of costs to 100% public.

**Total costs allocated to the community as a whole:** 100%

**FINAL COST ALLOCATION PERCENTAGE**

<b>Total Private Funding</b>	<b>0.0</b>
<b>Public Funding</b>	
General Rate	
Residential	57.5
Business	39.8
Utility	2.3
Rural	0.4
<b>Total Public Funding</b>	<b>100.0</b>
<b>TOTAL</b>	<b>100.0</b>

To reflect the exacerbator pays issues discussed above, the business sector has been allocated 2.5 times, and the rural sector approximately one quarter, of their respective capital value proportion of costs. The allocation of the remainder of the public funding across the residential and utility ratepayers is in direct proportion to each segment's share of the total capital value of the city.

**11. Solid Waste**

**Description**

Council contracts out the collection of most residential and some commercial solid waste and household recycling. It also owns two landfills for the disposal of the city's refuse. Council's Waste Management Plan guides this activity. Council wishes to promote recycling and waste reduction and to provide for the disposal of the city's solid waste. Residents and businesses can opt out of Council-controlled service but as yet no private sector operators have put forward acceptable proposals for significant non-Council landfills.



**Community Outcomes**

**s101(3)(a)(i)**

This activity contributes primarily to Community Outcome 4 – Healthy Environment - clean air, water and land.

**Distribution of Benefits**

**s101(3)(a)(ii)**

**Whole Community**

By offering a kerbside recycling service Council is attempting to promote good environmental behaviour in encouraging the community to minimise waste. The value of the recycled material is less than its collection and processing costs. Where this is the case the activity requires some form of public intervention to ensure it will happen. Given the very strong support for this activity the community also benefits from the knowledge that it is making an effort to reduce waste.

**Identifiable Parts of the Community**

There are no identifiable parts of the community that derive benefits from the Solid Waste activity distinct from the whole community benefits.

**Individuals**

The activity of refuse collection is excludable and rival. There are a number of private companies offering rubbish collection services.

Substantial private benefits are also provided by the recycling service. Most of the recyclables would have to be disposed of through the fully user pays refuse collection service. This results in a substantial saving over time.

Waste from the refuse collection services, both public and private, is dumped at one of two landfills. The landfills also accept industrial waste and general fill. The activity is rival and excludable with both private and public sector competition in the region. Part of the benefit is the control, or minimisation, of the negative effects of individual actions, as opposed to the maximisation of a public good. In addition, there is a user pays element for the landfill services as the benefits are directly received by the property owner or resident that is disposing of the waste.

<b>Total benefit to the community as a whole:</b>	<b>5%</b>
<b>Total benefit to identifiable parts of the community:</b>	<b>0%</b>
<b>Total benefit to individuals:</b>	<b>95%</b>

**Period of Benefits**

**s101(3)(a)(iii)**

Landfills are unlike other assets. While they too have a finite useful life, the end of that life sees costs incurred not only to develop further landfill sites, but also for the after-care maintenance necessary when the existing landfill is closed. Total user charges include funding for forecast after-care costs.

**Exacerbator Pays**

**s101(3)(a)(iv)**

Public health benefits of this activity only arise owing to the necessity to minimise, or correct, the negative effects of individual actions. The issue is therefore an exacerbator issue.

**Costs and Benefits of Distinct Funding**

**s101(3)(a)(v)**

The Distribution of Benefits assessment suggests that 5% of the Solid Waste activity should be funded from general rates, and 95% from user charges.



User charges are a transparent mechanism for allowing users to assess the value of the service they receive. The fact that people can opt to use private sector refuse collection services rather than Council services provides accountability – Council must deliver value for money.

The level of user charges must be set with reference to the charges in force at other landfills in the region. If Council's charges are too far below the level charged elsewhere, it may become economic for commercial landfill users to travel into the city to use Council's landfills. This would significantly reduce the useful life of the current landfill sites.

At present, user charges need to be set well above the level needed to cover costs.

The surplus will be used to reduce the general rate requirement.

**Total costs allocated to the community as a whole:**

**-40%**

**Total costs allocated to individuals:**

**140%**

#### FINAL COST ALLOCATION PERCENTAGE

##### Private Funding

User Charges	140.0
<b>Total Private Funding</b>	<b>140.0</b>

##### Public Funding

General Rate	
Residential	-(31.7)
Business	-(6.4)
Utility	-(1.3)
Rural	-(0.6)
<b>Total Public Funding</b>	<b>-40.0</b>
<b>TOTAL</b>	<b>100.0</b>

The allocation of public funding across the residential, business, utility and rural ratepayers is in direct proportion to each segment's share of the total capital value of the city.

## 12. Environmental Management

### Description

Council develops, implements and monitors the District Plan, relevant by-laws and other environmental policies and plans for the sustainable development of the city. Council's statutory resource management and building approval functions as well as liquor licensing and environmental health are also included under this activity. Regular inspections are carried out to ensure compliance with legislative requirements, the District Plan, resource consent and building consent conditions and by-law requirements. Regular inspections of business premises, certification and liquor licensing are undertaken to promote and protect public health in the city. Noise and hazardous substances are controlled by this activity. The control of animals and stock in the city (a large part of which involves dogs and dog registrations) and public education about the care and control of animals are also covered.

There is a legal requirement for this activity.

### Community Outcomes s101(3)(a)(i)

This activity contributes primarily to the following Community Outcomes:

- Outcome 4 – Healthy Environment - continued protection and conservation of our environment.
- Outcome 5 – Quality Lifestyle - a city that is safe, friendly and welcoming, where people experience a sense of belonging; a diverse natural environment that is accessible, enjoyable and safe.
- Outcome 7 – Sense of Place - a built environment that is attractive, safe and healthy.



**Distribution of Benefits  
s101(3)(a)(ii)**

This activity consists of environmental policy, environmental approvals, environmental inspections and enforcement, and animal control functions. These functions have distinct economic characteristics that are discussed separately below.

**Environmental Policy**

Council has a legal requirement to produce a District Plan. District planning has a mixture of private and public benefits, as well as encouraging optimal resource use over time. A District Plan exists to achieve sustainable management of natural and physical resources. The Plan is determined by the community in terms of the Resource Management Act. It therefore applies to and represents the environmental aspirations of the community as a whole. These benefits are non-rival and non-excludable.

The Plan also exists to control the negative effects of resource use. This is an exacerbation issue, and while the benefits accrue to the wider public, this is treated as the minimisation of a negative effect, and therefore a private good.

**Total benefit to the community as a whole: 60%**  
**Total benefit to individuals or identifiable parts of the community: 40%**

**Environmental Approvals**

The environmental approvals activity is undertaken to ensure that public welfare is not jeopardised by the actions of individuals or groups now or in the future. A significant percentage of costs, however, arise in answering general public enquiries on environmental, building and development issues. It is not possible to determine the costs and quote for this information before the enquiry is dealt with. This is also considered to be public information available to all and part of the customer service of Council.

**Total benefit to the community as a whole: 40%**  
**Total benefit to individuals or identifiable parts of the community: 60%**

**Environmental Inspections and Enforcement**

The environmental inspections and enforcement activity ensures that the policies and regulations of Council are being complied with. The service acts to control the negative effects of non-compliance by individuals or groups, nearly all of which are businesses. There is also a general public benefit in the assurance of a safe environment. The provision of an inspection service would be needed even if there were total compliance, so the public good principle also applies.

**Total benefit to the community as a whole: 20%**  
**Total benefit to individuals or identifiable parts of the community: 80%**

**Animal Control**

Animal control is primarily the dog control function with a small amount of service involved with general livestock control. The activity exists to control the negative effects associated with dog and stock ownership. While there is a public benefit in having unsafe and noisy dogs controlled, the costs of attaining this are the result of individual actions and decisions. Council is increasing activity in patrolling for problem dogs. In some cases it is impossible to identify the owners (if there are any) of these dogs. Similarly, it is often difficult to identify the owners of wandering stock. In these cases the costs are a public good owing to the inability to identify the beneficiary.

**Total benefit to the community as a whole: 20%**  
**Total benefit to individuals or identifiable parts of the community: 80%**

**Period of Benefits  
s101(3)(a)(iii)**

An intergenerational effect occurs in that the District Plan remains in force long after it is written.



### Exacerbator Pays s101(3)(a)(iv)

The inspections and enforcement function is heavily impacted by individual actions or inaction, and this is recognised in the Distribution of Benefits.

Animal control is almost entirely an exacerbator pays issue. Difficulties in identifying owners of problem dogs or stock, however, make it impossible to recoup costs from those owners. It would be unfair to continue charging the identifiable exacerbators who register their dogs for the increasing costs generated by those who do not register.

### Costs and Benefits of Distinct Funding s101(3)(a)(v)

Council has modified the private benefit of this activity to match the existing level of user charges of 53%. Current charges for building permits are already considered to be at the top end of what the customer should reasonably expect to pay. Higher charges will restrict development activity and also lead to a higher level of avoidance. This modification also recognises that some of the services in this activity have fees set by law that do not cover the full costs of providing them.

Dog registration fees are also perceived as being at the top end of the range. In Council's experience, increases in fees have led to lower numbers of registrations. This means that the number of unregistered dogs continues to increase, and fewer "good" owners are paying for more "bad" owners.

The extent to which the business community generates costs and receives benefits in this activity, particularly in relation to environmental approvals and inspections and enforcement, would indicate the use of a targeted rate to cover these costs. On efficiency grounds Council will instead recover these costs through the business differential on the general rate. As a result, costs allocated to the business community become part of the costs allocated to the community as a whole.

**Total costs allocated to the community as a whole: 80%**  
**Total costs allocated to individuals and identifiable parts of the community: 20%**

#### FINAL COST ALLOCATION PERCENTAGE

##### Private Funding

User Charges	53.0
<b>Total Private Funding</b>	<b>53.0</b>

##### Public Funding

General Rate	
Residential	6.6
Business	40.0
Utility	0.3
Rural	0.1
<b>Total Public Funding</b>	<b>47.0</b>
<b>TOTAL</b>	<b>100.0</b>

The business rating group has been allocated 40% of the cost of this activity on the basis that it is the principal generator of applications for environmental approvals, and the major beneficiary of the inspections and enforcement function. The balance of the public funding is based on property value proportions of the other rating groups.





### 13. Emergency Management

#### Description

Council develops and implements city-wide emergency management plans, and promotes community preparedness for emergencies. Plans are also in place for dealing with and preventing rural fires. Council maintains the in-house capacity to co-ordinate responses to both civil defence and rural fire emergencies. There is a legal requirement under the Forest and Rural Fires Act and the Civil Defence Act for Council to perform these functions.

#### Community Outcomes

##### s101(3)(a)(i)

This activity contributes primarily to Community Outcome 5 – Lifestyle - a city that is safe, friendly and welcoming, where people experience a sense of belonging.

#### Distribution of Benefits

##### s101(3)(a)(ii)

Emergency management is both non-rival and non-excludable. The costs are usually created by natural disasters and are imposed on the community in a random manner. The activity also has regional and national benefits, in that resources are shared in emergencies with effects beyond the local boundaries. The costs associated with the capital equipment and actual emergency expenditure needed to respond to an emergency have an element of intergenerational equity associated with them. It is impossible to predict when an event will occur and preparations will last over a number of years.

Rural Fire applies largely to Council-owned land and therefore any benefits apply to the community.

**Total benefit to the community as a whole: 100%**

#### Exacerbator Pays

##### s101(3)(a)(iv)

Rural Fire deals with the consequences of the actions of exacerbators. Exacerbators, where they are identifiable, are dealt with through the Courts and any compensation is obtained in that manner.

#### Costs and Benefits of Distinct Funding

##### s101(3)(a)(v)

The Distribution of Benefits analysis for this activity indicates that all benefits flow to the community as a whole. This has been modified to reflect the current subsidy from Central Government that helps Council operate within a New Zealand-wide network, although this subsidy is actually sourced from public funds as well. While the policy expects 7% of costs to be met by this subsidy, the actual amount paid in any given year is determined by the costs of fighting rural fires during that year. Therefore, in years when there are more fires than usual, the subsidy will be higher.

**Total costs allocated to the community as a whole: 93%**  
**Total costs allocated to individuals or identifiable parts of the community: 7%**

#### FINAL COST ALLOCATION PERCENTAGE

Private Funding	
Operating Subsidies	7.0
<b>Total Private Funding</b>	<b>7.0</b>
Public Funding	
General Rate	
Residential	73.7
Business	14.8
Utility	3.0
Rural	1.5
<b>Total Public Funding</b>	<b>93.0</b>
<b>TOTAL</b>	<b>100.0</b>



The allocation of public funding across residential, business, utility and rural ratepayers is in direct proportion to each segment's share of the total capital value of the city.

## 14. Local Urban Design

### Description

Council aims to develop an urban environment that will help to attract people and investment and enhance the city's image. Council also recognises the contribution the city's heritage buildings and features play in the city's image and history. The public space of the city is managed and developed by Council on behalf of the community. The benefits of preserving buildings of architectural, heritage and historic value are to the community as a whole, as the work required is often of no benefit to the owner or occupier. Council therefore purchases the public benefit on behalf of the community.

### Community Outcomes

#### s101(3)(a)(i)

This activity contributes primarily to Community Outcome 7 – Sense of Place - a built environment that is attractive, safe and healthy.

### Distribution of Benefits

#### s101(3)(a)(ii)

Council aims to carry out improvements to the public areas to improve the amenity value of the city. Projects in this activity are for the benefit of the whole community and improvements are made only to public land, therefore the benefits apply to the community in general. The benefits of the activity are non-excludable and generally non-rival. In this aspect the applicable principle is public good.

There are, however, parts of this activity that result in an immediate private benefit being obtained. The suburban shopping centres, CBD development, anti-graffiti, Safer City, signage and environmental safety projects aim to upgrade the image of shopping areas. This work increases the trade and therefore the value of the businesses in that area, making them an identifiable part of the community receiving benefits.

Heritage expenditure has an intergenerational aspect as any expenditure is intended for the benefit of future generations. Any cultural, heritage and aesthetic benefits are both non-rival and non-excludable and the activity is one of the purer public goods Council provides. The existence of private benefits is doubtful. Council's objective is to ensure such sites and buildings are preserved, through contributing to activities such as earthquake strengthening, as private owners have insufficient incentives to do so.

Ideally Council's contribution would be just sufficient to ensure preservation and no more. In this way Council is purchasing the public benefit, while the owners invest up to the level of their own private benefit.

**Total benefit to the community as a whole:**

**15%**

**Total benefit to individuals or identifiable parts of the community:**

**85%**

### Costs and Benefits of Distinct Funding

#### s101(3)(a)(v)

Council has a strategic goal of developing an urban environment that will help to attract people and investment. Council is currently implementing projects to achieve this goal and believes that part-charging the adjoining property owner for design enhancements will result in the projects not proceeding in a co-ordinated manner. It is felt that while some benefit will be obtained by neighbouring properties the whole community will also benefit.

**Total costs allocated to the community as a whole:**

**100%**



**FINAL COST ALLOCATION PERCENTAGE**

<b>Total Private Funding</b>	<b>0.0</b>
<b>Public Funding</b>	
General Rate	
Residential	9.4
Business	90.0
Utility	0.4
Rural	0.2
<b>Total Public Funding</b>	<b>100.0</b>
<b>TOTAL</b>	<b>100.0</b>

The business community gains the primary benefits of this activity as the work is generally carried out in business areas.

**15. Economic Development**

**Description**

Council has a leading role in fostering the city's growth in a number of ways.

These are through creating a business-friendly environment, facilitating the expansion and creation of local businesses and employment, increasing tourism to the city and contributing to regional growth through regional economic development initiatives. Individual businesses generally have insufficient incentives to explore opportunities that benefit the city as a whole as well as themselves. The city's businesses and residents benefit from Council's support of the business sector and from the promotion of the city as a place to visit.

**Community Outcomes**

**s101(3)(a)(i)**

This activity contributes primarily to Community Outcome 1 – Prosperous Community - a local economy that is attractive to both businesses and residents.

**Distribution of Benefits**

**s101(3)(a)(ii)**

**Whole Community**

The general economic development function of Council aims to increase jobs and wealth for the benefit of the whole city. These projects are targeted at regional co-operation and growth industries. Over time the economic growth of the city does not benefit any one group in the community. The direct benefits, however, are firstly to businesses rather than to salary and wage earners.

Council also aims to carry out improvements to the public space in business areas, as requested and partly funded by the business community, specifically to improve economic activity. CBD and Jackson Street projects in this activity have a direct benefit to the businesses in those areas, but there are also indirect benefits to the whole community. Improvements are generally made only to public land, therefore substantial benefits apply to the community in general.

The business sector, and the whole community indirectly, also receive benefits from events funding which make visiting the city centre a more attractive experience.

Council also produces promotional material and operates a visitor information service. The majority of the effort in this activity is to develop and disseminate information for visitors and prospective investors and to hone Council's policies into an investment-friendly form. These



activities are generally non-excludable and non-rival and exist for the betterment of the city as a whole. While the service is open to all businesses and the employment benefits flow through to the whole community, the direct benefits are firstly to businesses rather than to salary and wage earners.

### Individuals and Identifiable Parts of the Community

As noted above, the direct benefits of economic development flow firstly to businesses rather than salary and wage earners. Central city programmes also provide benefits to the businesses in the area. The users of the visitor information service and the businesses promoted in it gain private benefits.

Council's role in this activity is purely as a tax collector. By using its tax collecting powers Council prevents individual businesses in the CBD from refusing to contribute to the scheme while still receiving its benefits. The policy thus prevents what is known as "free-riding". The potential for free-riding infers that the programmes are at least non-excludable within their boundaries. This activity has direct benefits, diminishing the further you are from the area concerned.

**Total benefit to the community as a whole:** 0%  
**Total benefit to individuals or identifiable parts of the community:** 100%

### Costs and Benefits of Distinct Funding s101(3)(a)(v)

For a large part of this activity Council is acting as a tax collector on behalf of the business community.

The Distribution of Benefits assessment suggests that 100% of the activity should be funded from a targeted rate on the business community.

Targeted funding of the activity would have benefits in terms of the transparency of cost allocation and charging. It would also increase accountability by relating the service received to the charge imposed. However, Council believes that it is more efficient to assess the overall benefit to businesses from Council activities and recover the costs through the use of a business differential within the general rate. As a result of this assessment, costs allocated to the business community become part of the costs allocated to the community as a whole.

**Total costs allocated to the community as a whole:** 100%

#### FINAL COST ALLOCATION PERCENTAGE

<b>Total Private Funding</b>	<b>0.0</b>
<b>Public Funding</b>	
General Rate	
Business	91.6
Utility	8.4
<b>Total Public Funding</b>	<b>100.0</b>
<b>TOTAL</b>	<b>100.0</b>

The distribution of public funding has been assessed at 100% business as the business community gains the primary benefits in general. Utility companies have been grouped with businesses on this occasion, as utility owners will generally also benefit from increased economic activity.



## 16. Elected Members

### Description

Council is an elected body that governs the direction and objectives of the activities it is responsible for on behalf of the city. Community representatives on Community Boards and Community Committees are part of Council and provide local input into governance issues. Council is required by law to have elected members.

### Community Outcomes s101(3)(a)(i)

This activity contributes to all Community Outcomes in that the elected members of Council are responsible for defining those outcomes and deciding how they are to be achieved.

### Distribution of Benefits s101(3)(a)(ii)

#### Whole Community

The benefits of this activity are both non-excludable and non-rival. Councillors and other elected members and the direct costs involved in supporting their operation are a legal requirement. The benefits from community representation are largely independent of the number of residents and are spread across the entire community.

#### Individuals and Identifiable Parts of the Community

No benefits are seen to flow to individuals or parts of the community other than those that flow to the community as a whole.

**Total benefit to the community as a whole: 100%**

## Costs and Benefits of Distinct Funding s101(3)(a)(v)

The Distribution of Benefits analysis for this activity indicates that all benefits flow to the community as a whole. The most efficient way to fund this benefit pattern is through general rates.

**Total costs allocated to the community as a whole: 100%**

### FINAL COST ALLOCATION PERCENTAGE

<b>Total Private Funding</b>	<b>0.0</b>
<b>Public Funding</b>	
General Rate	
Residential	79.3
Business	15.9
Utility	3.2
Rural	1.6
<b>Total Public Funding</b>	<b>100.0</b>
<b>TOTAL</b>	<b>100.0</b>

The distribution of public funding between rating groups is based on property valuations reflecting an even spread of benefits across all ratepayers.



## 17. Advice and Support

### Description

This activity involves the processes of policy formation, consultation and public accountability on behalf of Council. The most public examples of this are the annual planning and reporting processes and the development of the city's strategic plans. Professional advice and support are necessary to assist the community and their representatives on Council, Community Boards and Community Committees to make informed decisions on behalf of the community.

### Community Outcomes s101(3)(a)(i)

This activity contributes to all Community Outcomes.

### Distribution of Benefits s101(3)(a)(ii)

#### Whole Community

The benefits of this activity are both non-excludable and non-rival. Advice and support services are essential to allow the elected members to set policy and manage resource allocation. The benefits from this are largely independent of the number of residents and are spread across the entire community.

#### Individuals and Identifiable Parts of the Community

No benefits are seen to flow to individuals or parts of the community other than those that flow to the community as a whole.

**Total benefit to the community as a whole:**

**100%**

## Costs and Benefits of Distinct Funding s101(3)(a)(v)

The Distribution of Benefits analysis for this activity indicates that all benefits flow to the community as a whole. The most efficient way to fund this benefit pattern is through general rates.

**Total costs allocated to the community as a whole:**

**100%**

### FINAL COST ALLOCATION PERCENTAGE

<b>Total Private Funding</b>	<b>0.0</b>
<b>Public Funding</b>	
General Rate	
Residential	79.3
Business	15.9
Utility	3.2
Rural	1.6
<b>Total Public Funding</b>	<b>100.0</b>
<b>TOTAL</b>	<b>100.0</b>

The distribution of public funding between rating groups is based on property valuations reflecting an even spread of benefits across all ratepayers.



## 18. Managing Services

### Description

This activity incorporates the organisational support functions that help Council to provide its other activities in the most efficient and effective manner. It includes:

- Customer Relations.
- Finance.
- General Administration.
- Human Resources.
- Information Management.
- Office of the Chief Executive (including Communications).
- Legal and Secretariat Services.
- Strategic Development.

### Community Outcomes s101(3)(a)(i)

This activity contributes to all Community Outcomes by supporting all of Council's other activities.

### Distribution of Benefits s101(3)(a)(ii)

#### Whole Community

The benefits of this activity are both non-excludable and non-rival. Advice and support services are essential to allow the elected members to set policy and manage resource allocation. The benefits from this are largely independent of the number of residents and are spread across the entire community.

### Individuals and Identifiable Parts of the Community

No benefits are seen to flow to individuals or parts of the community other than those that flow to the community as a whole.

**Total benefit to the community as a whole: 100%**

### Costs and Benefits of Distinct Funding s101(3)(a)(v)

The Distribution of Benefits analysis for this activity indicates that all benefits flow to the community as a whole. However, the costs of the activity are most appropriately funded by allocating the costs across all of Council's other significant activities. Council achieves this through an overhead allocation process whereby the costs are attributed to each significant activity based on selected cost drivers and related activity or usage information. Interest costs are allocated to each activity in proportion to the net book value of fixed assets used by the activity.

As a result of this overhead allocation process, no public funding is required for this activity. The costs of this activity are partially offset by miscellaneous revenues prior to being allocated across other significant activities. These revenues include such things as penalties for late payment of rates, interest and dividends from investments, and commissions for the provision of services to entities other than Council. Forecast revenues are reflected as private funding percentages in the table below.

**Total costs allocated to individuals or identifiable parts of the community: 100%**



**FINAL COST ALLOCATION PERCENTAGE****Private Funding**

User Charges	65.0
Operating Subsidies	5.0
Interest Income	5.0
Other Revenue	35.0
Transfers to Reserves	(10.0)
<b>Total Private Funding</b>	<b>100.0</b>
<b>Total Public Funding</b>	<b>0.0</b>
<b>TOTAL</b>	<b>100.0</b>





# Fees and Charges





## HUTT CITY COUNCIL'S FEES AND CHARGES FOR 2008/09

All fees and charges include Goods and Services Tax (GST).

### Animal Services

#### Dog

Entire dog	\$92.00
Neutered	\$82.00
Classified "Dangerous"	\$123.00
All dogs not registered by 4 August 2008	\$125.00
Classified "Dangerous" and not registered by 4 August 2008	\$184.50
Responsible owner status	\$55.00
Replacement registration tags	\$5.00
Euthanasia at owner's request	\$30.00
Licence fee for keeping more than two dogs	\$30.00
Infringement fees set in the Dog Control Act 1996 apply	
Micro-chipping fee	\$30.00

#### Impounding and Sustenance Fees

First impounding during year of registration	\$75.00
Second impounding during year of registration	\$150.00
Sustenance fee per dog per day	\$14.00
Boarding fees per day	\$14.00
Seizure fee	\$75.00

### Archives

*There is no charge for inspecting items at the public reading room.*

#### Search Fees

1 hour	Without charge
An initial charge for the first chargeable half hour	\$30.00
For each subsequent half hour	\$38.00

#### Research Questions – Fees apply\* (New Charges)

An initial charge for the first half hour	\$30.00
For each subsequent half hour	\$38.00

#### Note:

*\*For Public Records Act access*

*The full half-hour fee will be charged for each part-period used*

*Fees are chargeable in advance*

#### Photocopy Fees

- Copying is subject to the physical condition and type of the item – in the interest of preserving the archive, and Copyright legislation
- All copying of archives will be carried out by Archives staff

A4	up to 20 pages	Without charge
A4	pages in excess of 20	20 cents per page Fees to recover the cost of staff time may apply+
A3		\$2.00 per page Fees to recover the cost of staff time may apply+

+ After the first 10 minutes of copying, staff time will be added to search/research time.





### Community Development

Community Group Directory	\$10.00
Community Group Directory (Community Groups)	\$5.00

### Encroachment on Hutt City Council Land

Application fee (new applications)	\$168.70
Application fee (alterations to existing use)	\$56.20
Single garage	\$125.00 per annum
Double garage	\$250.00 per annum
Commercial	Assessed by Council at a market rate

*Note these are indicative figures only and actual charges may differ depending on the nature of the encroachment. Other encroachment types will be assessed by Council on an individual basis.*

### Engineering Records and Land Information Services

Print size	Plan Printer	Ink Jet Plotter
Oversize	–	\$50.00
A0	–	\$30.00
A1	\$8.00	\$20.00
A2	\$4.00	\$10.00
A3	\$2.00	\$7.00
A4	–	\$5.00
Copies of Ortho-rectified Aerial Images (per tile) 2003		
GIS Specialists time (per hour)		\$60.00

### Environmental Consents

All fees include GST and are payable under Section 36 of the Resource Management Act 1991. Fees are not refundable if your application is declined or withdrawn. Additional charges may apply (see below).

Application fees cover the cost of processing your application only. After you start building there are charges to cover the cost of Council’s monitoring costs, such as site visits, research, photos, communications and administration.

### Resource Consents

#### Land Use Consents (Non-complying, Discretionary, Restricted Discretionary, Controlled)

Notified Application – Hearing required (includes up to 40 hours of processing and 1 monitoring inspection)	\$4,100.00
If application is required to be notified in a daily newspaper an additional fee of \$1,000.00 is required.	
Notified Application – No hearing required (includes up to 30 hours of processing and 1 monitoring inspection)	\$3,100.00
Limited Notification – (includes up to 30 hours of processing and 1 monitoring inspection)	\$3,100.00
Non-Notified Resource Consent (includes up to 7 hours of processing and 1 monitoring inspection)	\$800.00
Non-Notified Resource Consent – Residential Additions and Alterations (includes up to 5 hours of processing and 1 monitoring inspection)	\$550.00
All additional processing (per hour)	\$100.00
All additional monitoring inspections (per visit)	\$100.00
Consultants Fees and Costs of Disbursements will also be additionally charged and invoiced when consent is completed	





### Land Information Memoranda ('LIM')

Residential Property LIM	\$300.00
Commercial Property LIM (deposit)	\$300.00
Additional processing hours (per hour) if more than 2 hours is required for commercial property LIMs	\$100.00

### Building Consents

#### Project Information Memorandum, Building Consent & Certificate of Acceptance Fee

Please note that the PIM and BC fees listed below are a Base Fee only and DO NOT include any additional inspections, Consultants Fees or BRANZ and DBH levies. These will be charged extra as and if required.

#### Total PIM and BC

Value of Work	PIM	BC	Total Cost
Minor Works Bldg/P & D Free Stand/Inbuilt Fire	\$65.00	\$165.00	\$230.00
To \$5,000	\$160.00	\$285.00	\$445.00
To \$10,000	\$160.00	\$490.00	\$650.00
To \$19,999	\$290.00	\$695.00	\$985.00
To \$50,000	\$290.00	\$950.00	\$1,240.00
To \$100,000	\$320.00	\$1,505.00	\$1,825.00
To \$200,000	\$320.00	\$1,810.00	\$2,130.00
To \$300,000	\$480.00	\$2,215.00	\$2,695.00
To \$500,000	\$540.00	\$2,720.00	\$3,260.00
To \$700,000	\$700.00	\$3,325.00	\$4,025.00
To \$1,000,000	\$950.00	\$4,230.00	\$5,180.00
Over \$1,000,000	\$950.00 + \$100.00 per \$200,000	\$4,235.00 + \$360.00 per \$200,000	\$5,185.00 + \$460.00 per \$200,000



Once Building Consent has been granted, you will be notified of any further fees due, such as additional Inspection Fees, Consultants Fees, BRANZ and DBH levies.

The Building Research Association of New Zealand (BRANZ) levy charge is \$1.00 per \$1,000 for works \$20,000 and over, and the Dept of Building and Housing (DBH) levy charge is \$1.97 per \$1,000 for works \$20,000 and over.

Consultants Fees (e.g. Peer Review, NZ Fire Service, Legal or Professional advice) will be charged at actual cost plus disbursements.

Amendment Fee (includes half hour processing time)	\$150.00
All additional processing (per hour)	\$100.00
Inspection Fee	\$100.00 per inspection
Acceptance Fee for Producer Statements	\$100.00
Refundable Damage Deposit	\$500.00
Certificate for Public Use	\$165.00 when received with a Building Consent \$225 when received independently

### Service Connection Fee

Sewer	\$30.00
Stormwater	\$30.00
Water	\$60.00

### Certificate of Acceptance

Works under \$100,000

\$700.00 deposit plus normal consent fees and levies for DBH

Works \$100,000 and over

\$2,000.00 deposit plus normal consent fees and levies for DBH

### Non Standard Projects

Removing load bearing wall (1 inspection)	\$190.00
Demolition of Chimney	\$190.00
Install French Doors (inside existing opening)	\$190.00
Deck (with or without pergola) < 20m <sup>2</sup>	\$190.00
Kick out to soffit (under 10m <sup>2</sup> )	\$190.00
Kick out to soffit (over 10m <sup>2</sup> )	\$190.00
Re-site dwelling (on site)	\$190.00
Re-locatable dwelling (move to another site)	\$190.00
Stairs from basement to upper floor (1 inspection)	\$190.00
Small Drainage work up to \$4,999.00 value of work	\$190.00
Hot Water Cylinder exchanges and similar	\$190.00
Domestic Solar Hot Water Heating Panels	No Charge





**Other Fees**

Exemption from building work under Schedule 1 of the Building Act 1991 (includes 1 hour processing)	\$100.00
Application for waiver or modification of Building Consent fee plus actual cost of any professional advice sought by Council (includes half hour processing time)	\$100.00
All additional processing (per hour)	\$100.00
Issue of PIM to Building Control Authority	\$100.00
Plumbing Inspections	\$100.00
General Inspections	\$100.00
Marquee Licence (includes 1 hour processing)	\$100.00
All additional processing (per hour)	\$100.00
Swimming Pool and Spa Inspections – per inspection	\$100.00
Building over Council Drains	\$200.00
Section 72 – Building on land subject to natural hazards	Actual Cost
Section 75 – Building on 2 or more allotments	Actual Cost
Change of Use	\$100.00
Street Crossing Inspection	Actual Cost
Structural Checking Fee	Actual Cost
Water Connection/Alterations application	Actual Cost
Sewer/Stormwater Connection/Disconnection	Actual Cost
Kerb and Channel Connections	Actual Cost
Backflow Prevention Device	Actual Cost
Sanitary Sewer TV Survey	Actual Cost
Stormwater TV Survey	Actual Cost

**Compliance Schedule /Building WOF**

Building Warrant of Fitness	\$100.00
Building W.O.F – Annual Certificate	\$100.00
Building W.O.F/C.S. Inspection	\$100.00/hour
Amendment to Compliance Schedule	\$50.00
Commercial Cable Car	\$100.00
Residential Cable Car	\$50.00
Change in Tenure	\$100.00/hour

**Development and Financial Contributions**

Development and financial contributions are payable in relation to the subdivision and development of land. The amounts payable are described in Council's Policy on Development and Financial Contributions contained in the Annual Plan.

**Record Searches**

Property Search	\$20.00 (includes 1 print)
Print per microfiche image	\$5.00
Certificate of Title	\$15.00
Interests/document e.g. transfer, easement, covenant, lease	\$15.00

**Environmental Health**

Premises meeting the required standard by 1 July are eligible for a discount, provided re-registration is applied for by 20 August.

Transfer/minimum fee	\$50.00
Non-complying inspection fee	\$80.00



## Food Premises

	Fee	Discount Fee	A Grade
Class One – Fruiterers, Pre-packaged only (low risk, pre-packaged)	\$300.00	\$206.00	\$165.00
Class Two – Dairies, Service Stations (small premises – ready made foods – some ice cream/pre-wrapped pies), Clubs (medium)	\$358.00	\$249.00	\$206.00
Class Three – Clubs (large), Rest Homes (<25), Service Stations (large), Minimarts, Canteens (small)	\$440.00	\$309.00	\$254.00
Class Four – Takeaways, Eating Houses (<40), Meat and Fish, Delicatessens, Canteens (large), Caterer (small), Bakery, Wholesaler (small), Rest Home (25-50), Supermarkets (medium)	\$513.00	\$355.00	\$293.00
Class Five – Eating Houses (>40), Caterer (large), Wholesalers (large), Rest Homes (>50), Supermarkets (large)	\$843.00	\$579.00	\$474.00
Travelling Shop – Food	\$250.00	\$170.00	
Food Stall	\$250.00	\$170.00	
Clubs/Canteens (small) – type 16 – no food preparation	\$122.00	\$85.00	\$70.00

## Other Licences

	Fee	Discount Fee	A Grade
Travelling Shop – no food	\$115.00	N/A	N/A Set by statute
Hairdresser	\$247.00	\$170.00	N/A
Camping Ground	\$418.00	\$391.00	N/A
Hawker	\$50.00	N/A	N/A Set by statute
Amusement Device	\$80.00	N/A	N/A Set by statute
Mortuary	\$309.00	\$211.00	N/A
Offensive Trade	\$355.00	\$247.00	N/A



### Additional Charges

One off Food Stall	\$20.00
New Premises – Establishment fee	\$100.00
Initial Licence fee	\$80.00
Transfer Licence fee	\$50.00
Additional Inspections fee	\$80.00 per visit
Food Safety Audits	\$90.00 per hour (expenses additional)
Street Musicians Licence	\$20.00
Amusement Devices (per site for 7 days)	Set by statute

### Noise Control

Seizure Fine (stereo equipment)	\$140.00 and \$1 per day after the 1st month of storage
Security Alarms – daytime attendances	\$80.00
Security Alarms – after hours attendances	\$150.00
Consultancy and survey fee	\$100.00 per hour

### Environmental Policy

#### Requests for Change to District Plan (deposit) \$5,000.00

All actual costs related to the proposed plan change, including council officers' time, will be borne by the applicant as follows:

- All work undertaken by the Council's officers in connection with the request for the change shall be charged at \$80.00 per hour against the deposit.
- Any hearing shall be charged at \$1,000 per day or part day against the deposit.
- If the proposed change is notified publicly, advertising charges will be actual costs payable by the applicant.
- All information requested by the Council shall be supplied at the applicant's cost.

#### Notice for Requirements (deposit) \$5,000.00

All actual costs related to the requirement, including council officers' time, will be borne by the Requiring Authority as follows:

- All work undertaken by the Council's officers in connection with the requirement shall be charged at \$80.00 per hour against the deposit.
- Any hearing shall be charged at \$1,000 per day or part day against the deposit.
- If the requirement is notified publicly, advertising charges will be actual costs payable by the Requiring Authority.
- All information requested by the Council shall be supplied at the Requiring Authority's cost.



## Operative District Plan

Complete set  
Text Volume  
Map Volume

\$250.00  
\$125.00  
\$125.00

## Gambling Venue and Board Venue

Class 4 Gambling Venue and Board Venue applications

\$300.00

## Halls

Community rates of charges for hall hire are set out below.

The commercial rates are set at the community rate, plus 50%, with a separate negotiable charge of up to 10% of the gross revenue of the commercial activity. A charity rate is also available by application.

## Town Hall and Horticultural Hall

Monday to Friday	Main Hall	Supper Room	Kitchen & Supper Room	Main Hall & Kitchen	All facilities
8 am – 12 noon	\$160.00	\$40.00	\$80.00	\$210.00	\$240.00
12 noon – 2pm	\$80.00	\$35.00	\$50.00	\$115.00	\$145.00
2 pm – 6pm	\$160.00	\$40.00	\$80.00	\$210.00	\$240.00
6pm – 11 pm	\$180.00	\$50.00	\$120.00	\$240.00	\$285.00
8am – 6pm	\$270.00	\$85.00	\$160.00	\$350.00	\$425.00
2pm – 11pm	\$270.00	\$85.00	\$160.00	\$350.00	\$425.00
8am – 11pm	\$350.00	\$120.00	\$240.00	\$475.00	\$585.00
After 11pm	\$70.00	\$70.00	\$70.00	\$70.00	\$70.00

*Note: The Town Hall supper room and kitchen are not available for public hire during normal working hours of 8am – 5pm, Monday – Friday.*



Weekends & Public holidays	Main Hall	Supper Room	Kitchen & Supper Room	Main Hall & Kitchen	All facilities
8 am – 12 noon	\$225.00	\$70.00	\$115.00	\$270.00	\$325.00
12 noon – 2pm	\$115.00	\$45.00	\$90.00	\$160.00	\$190.00
2 pm – 6pm	\$225.00	\$70.00	\$115.00	\$270.00	\$325.00
6pm – 11 pm	\$255.00	\$90.00	\$170.00	\$335.00	\$410.00
8am – 6pm	\$385.00	\$115.00	\$225.00	\$490.00	\$600.00
2pm – 11pm	\$385.00	\$115.00	\$225.00	\$490.00	\$600.00
8am – 11pm	\$490.00	\$170.00	\$335.00	\$650.00	\$805.00
After 11pm	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00

### Little Theatre

	All facilities Monday to Friday	All facilities Weekends and Public holidays
8 am – 1 pm	\$130.00	\$190.00
1 pm – 6 pm	\$130.00	\$190.00
6pm – 11 pm	\$130.00	\$190.00
Two sessions in one day	\$210.00	\$285.00
Three sessions in one day	\$315.00	\$430.00
After 11pm	\$70.00	\$100.00

### Moera, Eastbourne and Belmont Community Halls

	All Facilities	All Facilities
	<b>Monday – Friday</b>	<b>Weekends &amp; Public Holidays</b>
Per hour (maximum)	\$15.00	\$20.00

### Wainuiomata Hall

	All Facilities	All Facilities	Meeting Room	Meeting Room
	<b>Monday – Friday</b>	<b>Weekends &amp; Public Holidays</b>	<b>Monday – Friday</b>	<b>Weekends &amp; Public Holidays</b>
Per hour (maximum)	\$15.00	\$20.00	\$10.00	\$12.00

### Hardwick Smith Lounge

	Monday – Friday	Weekends & Public Holidays
Per Hour (maximum)	\$10.00	\$15.00

### Kensington Hall

	Monday – Friday	Weekends & Public Holidays
Per hour (maximum)	\$8.00	\$10.00



## Landfills

### Domestic Vehicles (cash only)

Cars and station wagons	\$10.00
Vans, utilities, SUV (4-wheel drives), small trailers (Max refuse dimensions: 2.5m long, 1m high, 1.5m wide)	\$20.00

*Please note: Combinations of vehicles (vans, utilities, small trucks) and trailer will cost the sum of their respective charges.*

### All Other Vehicles (per tonne)

Minimum Charge	\$78.00
Special Burials	\$39.00
Minimum Charge	\$110.00
Special Burials	\$55.00

### Potentially Hazardous Wastes

By negotiation, refer to the "Hutt City Landfill – Waste Disposal Guide"

### Car Bodies

Clean car bodies	\$12.00
Other car bodies	\$35.00

### Tyres

Disposal of more than 4 tyres (per tonne) regardless of vehicle type	\$300.00
Minimum Charge	\$150.00

## Refuse Bags

Plastic bags – packet of 5	\$8.80
Plastic bags – packet of 10	\$17.50
Plastic bags – packet of 50	\$85.00

## Libraries

Interloans (non-urgent) per request	\$10.00
Interloans (urgent)	At cost
Lost items	Replacement cost plus \$10 processing fee on adult items
Rental Collections	Vary according to format to a maximum of \$10 per item
Overdue charges	Vary according to format from \$0.20 to \$2.00 per day to a maximum of \$10.00 per item
Borrower's card replacement (per card)	\$2.00



## Littering Infringement Fees

### Minor Littering

Infringement fee \$100

Minor littering is defined as depositing in or on a public place or in or on private land without the consent of the occupier:

Cigarette butts; Wrappers/paper; Chewing gum; Small food waste; Take-away food/drink containers; Fish & chip papers; Plastic drink bottle(s); and Aluminium can(s).

*NB: For cigarette butt littering, this is a two step enforcement process.  
First step: Educate/warning – offender advised this is not acceptable.  
Second step: If a person is found depositing cigarette butt litter having already been warned, an infringement fee of \$100 will be issued.*

### Medium Littering

Infringement fee \$200

Medium littering is defined as depositing in or on a public place or in or on private land without the consent of the occupier:

Single used disposable nappy or nappies; Small dumping (e.g. shopping bags) – domestic/commercial waste in, or by, public litter bins; Small dumping in or by commercial waste bins/clothing bins/recycling stations; Persistent use of unofficial (non-council) refuse bags; and Small insecure load from truck or trailer.

*NB: Small dumping defined as up to four shopping bags or two refuse bags or single items.  
Small insecure load is defined as paper, single item, grass clippings, dust that has come off a truck or trailer.*

### Major Littering

Infringement fee \$400

Major littering is defined as depositing in or on a public place or in or on private land without the consent of the occupier:

Household waste; Commercial waste; Green waste; Car parts; or any other litter as defined in the Litter Act 1997 not defined as a minor or medium littering above.

*NB: The Litter Act 1979 defines the depositing of glass or glass bottles (or broken glass or bottles) as a dangerous form of litter and thus considered by Council as a major littering offence. The decision whether to issue an infringement notice for major littering or to refer the matter to the District Court will be determined on a case by case basis, based on the severity and malicious intent of the alleged offence.*







## Parking

All metered parking within the Central Business District is managed with Pay & Display machines, which provide for payment by coins, Txt-a-Park or Credit Cards. HCC Pay & Display Parking Meters provide GST Invoices, and do not vend coin change.

Approved In-Car meters (e.g. SmartPark personal parking meter) are supported and HCC stored value cards are available from Council.

Mobility car parks are provided at the prevailing zone fee.

On-street metered parking is restricted to 2 hour maximum parking duration in the Lower Hutt commercial centre. High demand parking spaces attract a higher fee for the second optional hour. All day parking is provided on-street and in the car parks that surround the central area. The Dowse car park offers metered 2 hour and 4 hour maximum duration parking.

## Hours of Meter Operation

Monday to Friday 9am to 5pm, except Public Holidays.

## General Fees

Premium Shopper Zone (red) (2 hour maximum)	\$2 per hour, rising to \$3 per hour for the second hour.
Shopper Zone (green) (2 hour maximum)	\$1.50 per hour.
Commuter Zone (yellow) (All day, unrestricted)	70 cents per hour with a \$5 per day maximum charge.
Riverbank car park	70 cents per hour, with a \$4 per day maximum charge. A monthly pass is available at \$60 per month (reduced to \$45 for December).
Txt-a-Park & Credit Cards	50 cent service fee applies.
SmartPark stored value cards (\$50 & \$100 denominations)	\$5 service fee applies per card.

## Parking Zones

Premium Shopper Zone (red) (\$2 per hour, rising to \$3 per hour for the second hour – 2 hour maximum)	High St (Laings Rd to Waterloo Rd) Queens Dr (Laings Rd to Waterloo Rd) Margaret St (Dudley St to Queens Dr) Bunny St Waterloo Rd (Queens Dr to High St) Laings Rd (Queens Dr to High St) Part Daly St (Dudley St to River Stopbank)
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Shopper Zone (green)  
(\$1.50 per hour – 2 hour Maximum)

Market Gr (North side)  
Ward St  
Fraser St  
High St (Fraser St to Laings Rd)  
Queens Dr (Laings Rd to Daly St Extn)  
Andrews Ave  
Dudley St  
Daly St (North-east part from Andrews Ave)  
Rutherford St (Margaret to Countdown car park)  
High St (Waterloo Rd to Downer St)  
Queens Dr (Waterloo Rd to High St)  
Osbourne Pl  
Kings Cres (Cornwall St to Queens Dr)  
Bloomfield Tce (Knights Rd to Kings Cres)  
Cornwall St (Kings Cres to Pretoria St)  
Pretoria St (High St to residential boundary)  
Waterloo Rd (Queens Dr to Cornwall St)  
Raroa Rd (Cornwall St to eastern end)

Commuter Zone (yellow)  
(70 cents per hour,  
\$5 Maximum fee – All day)

Raroa Rd (High St to Cornwall St)  
Cornwall St (Knights Rd to Kings Cres)  
Knights Rd (Cornwall St to Bunny St)  
Stevens Gr  
Civic Fountain car park  
Market Gr (South side)  
Rutherford St (Countdown car park to Queens Dr)  
Riverbank car park (\$4 maximum & monthly \$60 pass available)

Myrtle Street (yellow)  
(70 cents per hour, \$4 Maximum fee –  
All day, No monthly passes will apply)

Knights Rd to Huia St and north side Huia St to  
Laings Rd

The Dowse car park (yellow)  
(70 cents per hour)

Provides 2 hour and 4 hour maximum parking duration  
at Commuter Zone rates.

### Penalties – Pay and Display Areas

Not displaying a ticket \$40.00

#### Overstay where the excess time is:

Not more than 30 minutes	\$12.00
More than 30 minutes but no more than 1 hour	\$15.00
More than 1 hour but no more than 2 hours	\$21.00
More than 2 hours but no more than 4 hours	\$30.00
More than 4 hours but no more than 6 hours	\$42.00
More than 6 hours	\$57.00

### Miscellaneous

Parking exemption permits available for Contractors only –  
conditions apply

\$10.00 per space per day or  
\$5.00 per space per half day.



### Recycling

Replacement recycling containers \$10.00

### Roading

#### Subdivision Inspection and Approval Charges

Boundary adjustment \$132.30  
 Additional lots/unit titles – 3.43% of total construction cost for one new lot reducing by 0.07% for each additional lot to 0.7% for 40 or more additional lots.

#### Motor Crossing Charges

	Standard Fee	Admin/Inspection
Concrete dished crossing/m <sup>2</sup>	\$130.00	\$72.00
Extensions to existing concrete crossings/m <sup>2</sup>	\$130.00	\$72.00
Installation of concrete dished crossing in conjunction with road reconstruction work/m <sup>2</sup>	\$65.00	\$72.00
Concrete block crossing/Pipe crossing/ 'Slot' type crossing/m <sup>2</sup>	\$130.00	\$72.00
Deposit for privately installed crossing (\$200 refunded upon satisfactory completion of crossing)	\$272.00	

#### Trench Inspection Fees

Proposals, administration and monitoring on time basis:  
 Engineer (per hour) \$61.88  
 Inspector (per hour) \$42.75

### Sportsfields

#### Season Charges

Set to recover the percentage of operating cost identified below plus the full operating cost of ancillary services:

Recovery Rates Percentage	Level 1	Level 2	Level 3	Children	Training/Winter
Sports	30	20	10	5	5
Cricket/Croquet	25	15	10	5	N/A

#### One-off or Single Day Hire

Charged at 10% of the season charge per game or where the game lasts three hours or longer, 15% of the season charge per day.

#### Special Charges

Events and commercial operators	By quotation
Picnic bookings (30 or more people)	\$30.00
Filming per hour	\$100.00
Marquees for picnics/promotions	\$100.00
Hire of rooms, social facilities, training fields etc.	By quotation

*Note: Bookings for the season will take priority over casual bookings*





### Wastewater

Wastewater connection fee \$30.00

#### Trade Waste Consent Fees

<b>Consent Fees</b>	<b>Consent + \$200 if conditional consent required</b>
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Class 1: high risk	\$1,600.00	\$1,800.00
Class 2: moderate risk	\$800.00	\$1,000.00
Class 3: low risk <i>Note: May also include major fast food businesses</i>	\$400.00	\$600.00
Class 4: minimal risk <i>Note: May include laundries, dry cleaners, restaurants, small wash pads, supermarkets with delicatessens and/or butchery and/or bakery, caterers, canteens</i>	\$160.00	\$360.00
Class 5: minimal risk with low flow <i>Note: May include takeaway food premises, cafes and small restaurants</i>	\$70.00	N/A

#### Trade Waste User Charges

Flow (per cubic metre)	\$0.434 per m <sup>3</sup>
Total Suspended Solids	\$0.590 per kg
COD (Chemical Oxygen Demand)	\$0.199 per kg

### Water

Upper Belmont Development Levy (per lot)	\$5,640.00
Water connection fee	\$60.00
Fee for use of water by builders on unmetered industrial and commercial sites	\$55.00

#### Charge for Ordinary Supply Class 2 Water

Minimum charge	UAC
Domestic water meter rental	\$60.00

#### Normal users per cubic metre

Up to 100,000 cubic metres	\$1.38
In excess of 100,000 cubic metres	\$1.05

#### Water supplied by hydrant

Per cubic metre	\$1.38
Minimum charge	\$25.00
Back flow prevention – annual inspection charge	\$150.00





# Appendices







## DEFINITIONS

These definitions are intended to define terms used in this Annual Plan in plain English. For legal definitions see the Local Government Act 2002.

### Asset

Something of value that Council owns on behalf of the people of Hutt City, such as roads, drains, parks and buildings.

### Asset Management Plan

A long term plan for managing an asset to ensure that its capacity to provide a service is kept up, and costs over the life of the asset are kept to a minimum.

### Appropriation/Appropriated

Money that has been set aside from, or brought into, an operating or revenue account.

### Capital Expenditure

Expenditure that will increase the value of Council's assets.

### Capital Value

Value of land including any improvements.

### Community Boards

Local elected bodies set up under the Local Government Act. Community Boards are consulted by Council and can represent community concerns to Council. Hutt City Council has three Community Boards: Eastbourne, Petone and Wainuiomata.

### Community Committees

Local committees set up by Council. Community Committees are consulted by Council and can represent community concerns to Council. Hutt City Council has two Community Committees: Central/West and North/East.

### Community Outcome

An outcome for the community that is identified as a priority.

### Council-controlled Organisations (CCOs)

Companies in which Council is at least 50% shareholder that independently manage facilities and deliver services and undertake developments on behalf of the Hutt City community. Where necessary, Council funds these organisations.

### Council-controlled Trading Organisations (CCTOs)

CCOs that operate a trading undertaking for the purpose of making a profit.

### Employee Costs

Expenditure on staff. This includes wages, salaries and related taxes, training and recruitment costs. Remuneration of elected and appointed representatives is also included under this heading.

### Financial Year

Council's Financial Year runs from 1 July to 30 June of the following year.

### Land Value

Value of land, excluding any improvements.

### Local Government Act 2002

The key legislation that defines the powers and responsibilities of local authorities like The Hutt City Council.

### Long Term Council Community Plan or Community Plan

A plan that describes the activities of the local authority, the Community Outcomes and long term focus for the decisions and activities of the local authority.

### Forecast Financial Statement

This is a ten-year plan for Council's revenue and expenditure, cash flows, and borrowing programme.

### Maintenance Costs

Expenditure in relation to repairs and maintenance of Council's assets.

### Mana Whenua

People with the mana of the land.

### Ngā Tekau o Pōneke – Wellington Tenth's Trust

Local tangata whenua with inherited land ownership in Wellington and Hutt Valley and kinship to Northern Taranaki Te Atiawa.



### Operating Expenditure

Expenditure for the normal services of Council.

### Operating Projects

Significant projects that do not result in the creation of Council assets.

### Performance Measure

A measure that shows how well Council is doing in achieving the goals it has set for itself.

### Rates

Funds collected by Council from levies on property. These are based on the capital value of the property but the term is also often used to include Uniform Annual General Charges and Targeted Rates.

### Significance

Degree of importance of the issue, proposal, decision or matter as assessed by the local authority in terms of its likely consequences for the current and future social, economic, environmental, or cultural well-being of the community.

### Significant Activities

This plan lists 18 separate significant activities including “Managing Services”.

### Supplier Costs

Expenditure for the purchase of general goods and services.

### Support Costs

The internal allocation of expenditure incorporated in significant activity 18, “Managing Services”.

### Taonga

A highly prized resource.

### Targeted Rates

Any rate levied, other than the general rate, which is targeted at users of a service such as water supply, wastewater and the Jackson Street Programme.

### Te Atiawa

Local tangata whenua with inherited land ownership and kinship to northern Taranaki Te Atiawa.

### Te Rānanganui o Taranaki Whānui ki te Upoko o te Ika a Maui

A representative Maori Council made up from local tangata whenua and representing the eight Taranaki tribes within the Wellington region.

### Te Taurahere o Te Awakairangi

The Hutt Valley branch of Te Runanganui o Taura Here ki te Whanganui a Tara which represents 23 tribal groups in the greater Wellington region.

### User Charges

Income to Council through fees paid by those who use specific services provided by Council.



## STATISTICAL INFORMATION

### HUTT CITY – A SUMMARY PROFILE

		Percentage change from 2001
Land area (hectares)	37,998	
<b>2006 Population by Ward (NZ Census 2006)</b>		
Northern	15,288	3.3%
Eastern	16,920	2.7%
Western	12,402	4.1%
Central	18,642	2.6%
Wainuiomata	17,214	0.9%
Harbour	17,235	1.0%
<b>TOTAL POPULATION 2006</b>	<b>97,701</b>	<b>2.3%</b>
<b>2006 Households by Ward (NZ Census 2006)</b>		
Northern	5,259	3.2%
Eastern	6,180	1.9%
Western	4,437	5.6%
Central	7,209	3.6%
Wainuiomata	5,802	2.9%
Harbour	6,837	2.0%
<b>TOTAL HOUSEHOLDS 2006</b>	<b>35,724</b>	<b>3.1%</b>

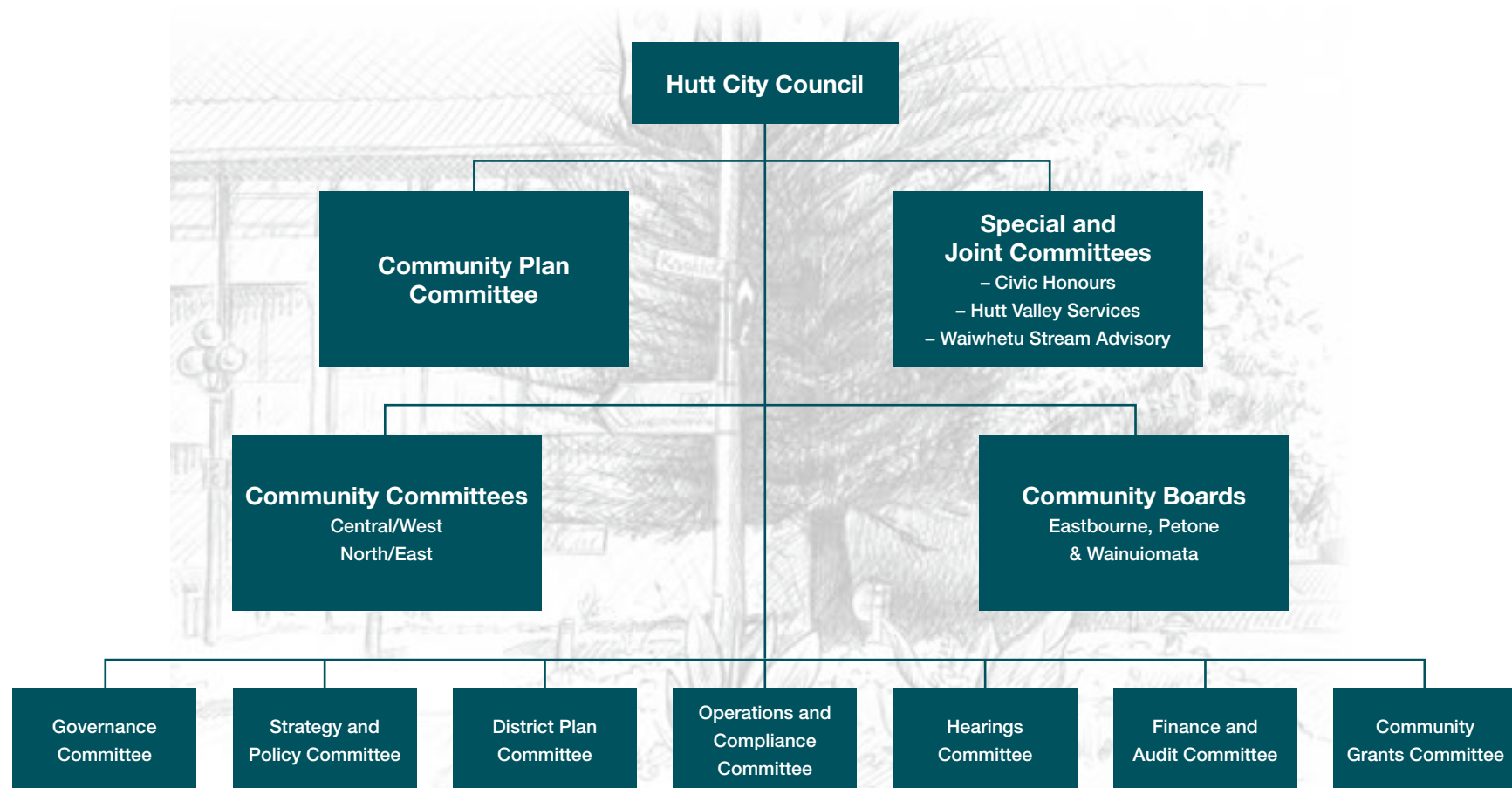
### TOTAL COUNCIL ASSETS (30 June 2006)

Area of parks and reserves	5,305 hectares	<b>\$1,027,037,000</b>
Number of swimming pools	6	
Number of libraries	8	
Length of roads	475 km	
Length of footpaths	728 km	
Number of street lights	13,747	
Length of wastewater pipes	672 km	
Length of stormwater pipes	528 km	
Length of water pipes	690 km	
Rating system	Capital	
Rateable properties	37,770	
Average rates per residential ratepayer	\$1,519	
Capital value of Hutt City (1 September 2007)	\$17,678,678,000	





## POLITICAL STRUCTURE



## MAYOR AND COUNCILLORS



### Mayor David Ogden CA, JP (OCOF)

Mayor

Telephone: 570 6932 (business)

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### Councillor Roger Styles (OCOF)

Deputy Mayor

Eastern Ward

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### Councillor Joy Baird JP (I)

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### Councillor David Bassett JP (I)

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### Councillor Barbara Branch (OCOF)

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### Councillor Margaret Cousins JP (I)

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### Councillor Randall Day (TRW)

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### Councillor Angus Finlayson JP (I)

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### Councillor Max Shierlaw (OCOF)

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### Councillor Ray Wallace JP (TRW)

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(I) Independent  
 (OCOF) Our City Our Future  
 (TRW) Team Ray Wallace







## EXECUTIVE MANAGEMENT TEAM

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